

Israelis Reportedly Willing To Consider Beirut Pullback

Compiled by Our Staff From Dispatches
BEIRUT — Israel appears willing to consider a limited pullback of its forces encircling Palestinian guerrillas in West Beirut as soon as the evacuation of the Palestinians is begun, Western diplomats said Wednesday.

But despite hints of progress in talks to prevent an Israeli assault, they said, enormous practical problems remained that could make an agreement impossible before the Israeli loss of patience and order their tanks into the heart of Beirut.

Government sources reported on Monday that the Palestine Liberation Organization was ready to meet Israel's demand that its guerrillas leave Lebanon, subject to several conditions.

Wednesday the sources said that after a period of intense bargaining involving representatives of the PLO, Lebanese, Saudi Arabia, the United States and Israel, the United States was giving the impression that some of these conditions could be accommodated.

The sources said the PLO demands included a call for the Israelis to pull back 5 kilometers (4.8 miles) from Beirut and that the PLO be allowed to take their weapons and leave a token military and political presence in Lebanon.

The Western diplomats said Israel now appeared willing to consider a limited pullback to take place as soon as the evacuation of the PLO fighters had begun.

Israeli Prime Minister Menachem Begin revealed in the Knesset, or parliament, late Tuesday that he had agreed to allow the Palestinians to keep their light, personal weapons as they depart, the first sign of flexibility in the Israeli position.

The government sources said after a meeting Wednesday between Lebanese Premier Shafiq al-Wazzan and Philip C. Habib, the U.S. special envoy, that there was a possibility that the guerrillas might be allowed to leave Lebanon with their heavy weapons.

It was unclear, however, to what extent Mr. Habib was presenting purely U.S. views at the meeting

and how much he was hinting at Israeli positions.

The sources added that the question of allowing some armed Palestinians to stay in Lebanon in a special unit under Lebanese Army command was also "not impossible."

One suggestion was for the unit would be established but then leave Lebanon when other "foreign forces," meaning the Israelis and Syrians, withdrew from the country, they said.

Israeli Radio said that Alexander M. Haig Jr., who has resigned as U.S. secretary of state but is staying on the job temporarily, sent an urgent message Wednesday to the Israeli government in which he stated the possibility of U.S. support for a future PLO political presence in Lebanon.

The state-run radio said the message included assurances that the United States would continue to work for the removal of Palestinian and Syrian forces from Lebanon. Mr. Haig added, however, that the Reagan administration would not object to a PLO political presence in Lebanon if a future Lebanese government agreed, the radio said.

Israel had been demanding the complete disarmament of the thousands of guerrillas trapped in Beirut and their departure from Lebanon.

Government sources said the PLO had agreed to leave Lebanon subject to certain conditions, including the right to take with them all their weapons.

Government and diplomatic sources reported that there have been frequent shifts in the PLO position, but it appears the Palestinians are holding out for the token Israeli withdrawal and for the retention in Lebanon of a PLO political office and the symbolic battalion of PLO fighters under Lebanese Army control.

Reports of Fighting

The sources said the Lebanese government had no objection in the PLO keeping an office in Lebanon, as it does in every other Arab country.

One report originating in Lebanon mentioned a Saudi proposal to fly the Palestinians out of Beirut and spare them the humiliation of an exodus over land — under the gaze of the Israelis — or by sea to a still-unknown destination.

Israeli officials said they knew nothing of such a Saudi proposal or a report in the newspaper Ma'ariv that Israel would agree to an airlift if it were done immediately.

As the negotiations continued, there were reports of new fighting in the mountains east of Beirut. Lebanese newspapers said that rightist Christian militias cooperating with the Israelis in the siege of Beirut had clashed with leftist Lebanese forces.

But accounts varied. The rightists said that the fighting involved Israeli and Syrian troops. Israeli military sources said the rightists had been shelling Syrian positions.

After an Israeli Cabinet meeting Wednesday, spokesman Dan Meridor said: "The government still believes there is a possibility of removing the guerrillas peacefully." He added that "Time is running out and Israel hopes it can come have to resort to military means."

The government, meanwhile, reacted to a European Economic Community statement Tuesday condemning the invasion, saying it was "astonished by the condemnation that was issued despite developments in the field which proved that Israel had no alternative but to act as it did." A Foreign Ministry spokesman refused to elaborate.



An Israeli soldier stood guard outside a sandbagged bank in Hazmieh, Israel-occupied Lebanon, that was open as usual.

Israel Goes to U.S. With Its Denial Of High Civilian Toll in Lebanon

By George C. Wilson
Washington Post Service

WASHINGTON — The Israeli government has gone to Washington with its side of the argument over how many civilians its forces have killed in Lebanon.

Retired Lt. Gen. Aharon Yariv, former head of Israeli military intelligence, said at a news conference at the Israeli Embassy on Tuesday that estimates being made in Lebanon "are out of all proportion to reality."

Lebanese police two weeks ago estimated that 9,583 persons had been killed and 16,608 wounded since Israel invaded Lebanon on June 4. The Lebanese Red Cross has estimated that in the city of Sidon 1,000 to 2,000 persons died, 3,000 to 4,000 were injured.

Gen. Yariv, as other Israeli officials have done, said he could give no estimate of casualties in Beirut and focused his attention instead on the cities of Sidon, Tyre and Nabatieh.

His estimates of civilian casualties were: Sidon, 265 killed, 1,000 wounded; Tyre, 36 killed, 95 wounded; Nabatieh, 10 killed, 15 wounded.

Pressed for an estimate on the



Lt. Gen. Aharon Yariv
total number of civilians killed in Lebanon, Gen. Yariv said, excluding Beirut, "I don't think they'll reach 500."

Turning to Israeli casualties in Lebanon, Gen. Yariv said 270 have been killed, terming that toll "not a small price." He estimated

the Palestine Liberation Organization "lost about 1,000 in battle."

Gen. Yariv said Israeli forces have captured 5,000 of the original 15,000 PLO guerrillas in Lebanon. He estimated that there were 5,000 to 7,000 PLO troops trapped in Beirut.

[An Israeli Army spokesman near Beirut said Wednesday that Lebanese Premier Shafiq al-Wazzan's statement that 15,000 people had been killed since the invasion was "much too high." The Associated Press reported from Baabda, Lebanon.

[The spokesman, Col. Paul Kedat, offered no figures of his own, however. He had said Monday that "a few thousand" Lebanese have died, along with 1,000 PLO guerrillas, 200 Syrians and 270 Israelis. Wednesday he said less than 30,000 persons had been left homeless and that they "were not starving nor lacking water or basic needs," AP reported.]

Gen. Yariv, who has been called temporarily to active duty, said Israeli forces have been trying to minimize civilian casualties by urging them to leave dangerous areas by dropping leaflets and making appeals over loudspeakers.

Hong Kong to Tighten Refugee Policy

By Peter Cordingley
International Herald Tribune

HONG KONG — All Vietnamese refugees arriving here Friday or thereafter will be held in a former prison on an outlying island for as long as it takes to find them a new home elsewhere.

It will be an unpleasant experience, and that is precisely the purpose. The Hong Kong government wants word to get back to Vietnam that this colony is no longer the relatively pleasant haven it used to be.

More than a thousand boat people arrived in June. This is 10 percent higher than June, 1981, and the popular interpretation is that refugees have more to offer and relatives back home that time is running out.

Alone among Asian countries of first asylum for the hundreds of thousands of boat people who have fled Vietnam since 1978, Hong Kong until now has allowed refugees to find work and save money for eventual resettlement.

By paying for their own keep, the refugees kept down government costs, but the prospect of

working in Hong Kong became an attraction, particularly compared to what Vietnamese were enduring at home or the reception awaiting them elsewhere in the region.

In Malaysia and the Philippines, they are placed in squalid, closed camps. Those making for Thailand have to run the gamut of pirates before also finishing up behind barbed wire.

Closed Doors

Singapore refuses entry to anybody who does not have a guaranteed resettlement offer. Macao gives temporary refuge to those in unseaworthy vessels, but tows the others out to sea.

Hong Kong has a refugee population of more than 11,000, and there is a growing government fear that the vast majority may never be resettled. The official view is that the West has turned its back on the problem.

The United States has reduced this year's quota by about a third, and tough new standards eliminate virtually all refugees in Hong Kong camps. Britain has stopped admitting Vietnamese, while Canada

has sliced its annual quota nearly in half. Australia has reduced its resettlement quota to a token.

"Resettlement countries are calling a halt to the game," said John Heywood, Hong Kong's deputy secretary for security, "and we are being left in the middle. Hong Kong is being made to pay for being the good guy in the region."

The new breed of boat people is of peasant stock rather than professional or middle class. Mostly ethnic Vietnamese or tribal, rather than Chinese-Vietnamese, they do not speak Cantonese and are generally treated by Hong Kong's residents as unwanted aliens.

Frustrations are building in the refugee camps, where riots are almost commonplace. In the most serious, on May 1, refugees from what used to be North Vietnam fought those originating from the south with knives and metal bars. A number of camp buildings were burned.

Community outrage was reflected in the newspapers, where communists called for repatriation of the troublemakers. That is not possible without cooperation from

Hanoi, and it is not likely to be forthcoming.

Any refugee with a criminal record automatically loses all hope of resettlement, so many of those convicted of involvement in rioting have had nothing recorded against them.

The local office of the United Nations High Commission for Refugees, which has shown irritation with the Hong Kong move, said there is no evidence from elsewhere in the region that repressive measures keep out the refugees.

362 Refugees Picked Up

PAPEETE, Tahiti (UPI) — Two French vessels picked up 362 Southeast Asian refugees in the Gulf of Thailand, French military officials said Wednesday.

The corvette Bahuy will transport 71 of them to Singapore. Members of the Doctors of the World organization, who chartered the mercy ship Goleo, will accompany the remaining 291 to the Philippines. No further details were available.

U.S. Presents Plan for Arms Cuts In First Working Session at Geneva

Compiled by Our Staff From Dispatches
GENEVA — U.S. and Soviet negotiators began substantive bargaining Wednesday on reducing the two superpowers' long-range nuclear weaponry, and the United States gave a detailed explanation of its own proposals.

Chief negotiator Edward L. Rowley presented the U.S. plan at a closed, two-and-a-half-hour meeting, the first working session in a new round of Strategic Arms Reduction Talks, known as START, that opened Tuesday.

Mr. Rowley and the chief Soviet negotiator, Viktor P. Karpov, greeted each other across a dark veneered table in an eighth-floor conference room of the U.S. diplomatic mission here. Each negotiator was backed by a nine-member delegation. The next full round is set for Friday.

The talks are running in tandem with negotiations that opened here last November on reducing U.S. and Soviet medium-range missiles based in Europe. Beginning next week, working sessions in both

talks will be held separately every Tuesday and Thursday, alternating between U.S. and Soviet offices.

Besides a reduction in missile warheads, the START talks will cover the number of missiles and longer-range bombers, the destructive power of warheads and future weapons research.

Positions Far Apart

The United States and the Soviet Union entered the talks with positions far apart. They disagree on how their nuclear forces currently compare and what the treaty should accomplish.

Mr. Rowley and Mr. Karpov held a preliminary session Tuesday, devoted mainly to procedural matters. Mr. Rowley described the session as "cordial, businesslike, frank and earnest."

Mr. Rowley said he and Mr. Karpov decided Tuesday to maintain the "confidentiality" of the talks, releasing only incidental details of the sessions.

The talks are expected to last many months. The negotiations on

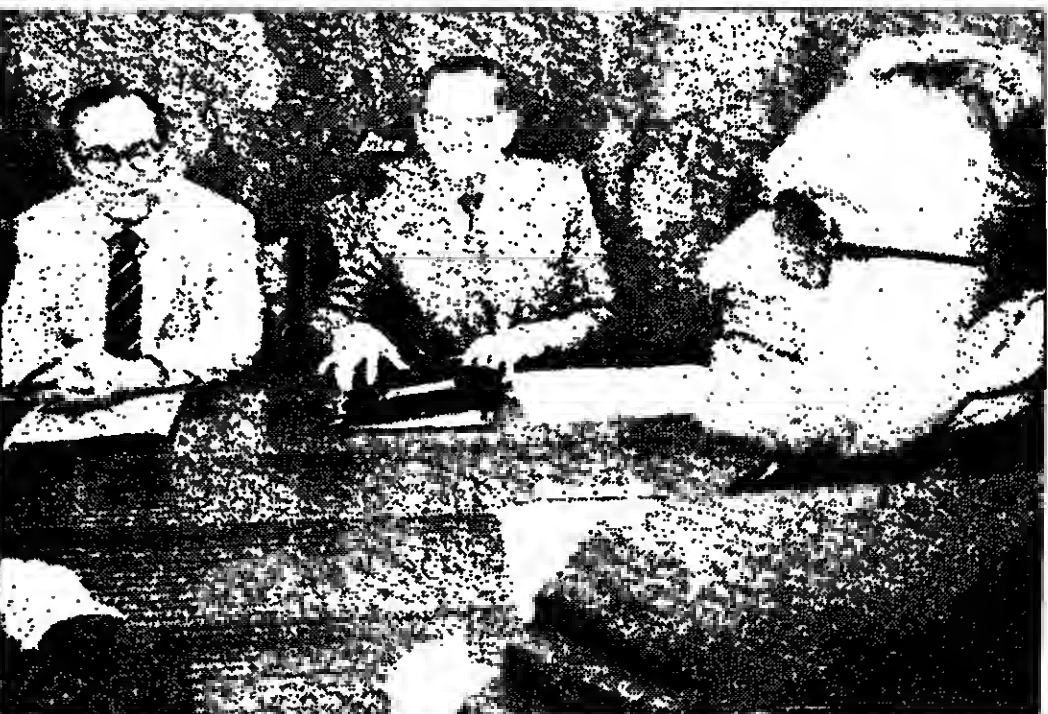
shorter-range nuclear weapons have been in progress since Nov. 30 with little progress.

Mr. Rowley said Mr. Karpov approached arms negotiations with the caution of a chess player, "whereas we in the West like to play Pac-Man," a fast-moving video game. He said the talks would have to move slowly because of the complex issues involved.

U.S. Detects New SS-20s

BRUSSELS (AP) — The Soviet Union has deployed between 45 and 50 new SS-20 missile warheads since mid-March, when it announced a unilateral freeze on the medium-range nuclear weapons, a senior U.S. official said Wednesday.

Richard R. Burt, the designated acting assistant secretary of state for European affairs, said the Soviet Union now has an estimated 945 warheads on 315 launchers compared to about 900 warheads when the freeze was announced by Soviet President Leonid I. Brezhnev.



Viktor P. Karpov, the chief Soviet arms negotiator, looked back and Edward L. Rowley, his American counterpart, smiled Wednesday as the Strategic Arms Reduction Talks were getting under way in Geneva. At left is U.S. Ambassador James E. Goodby, an assistant to Mr. Rowley.

Bonn Cabinet Reaches Agreement on Budget

Compiled by Our Staff From Dispatches
BONN — Chancellor Helmut Schmidt said Wednesday night that the two West German coalition parties have settled their differences over the 1983 budget and averted a government crisis.

His announcement came after a day of talks in and out of the Cabinet in an effort to preserve the 13-year-old coalition of Social Democrats and Liberal Free Democrats.

"Yes, certainly," Mr. Schmidt told reporters when asked if agreement had been reached on cuts in social benefits to cut government indebtedness. Free Democratic leaders confirmed his statement.

The agreement came after Mr. Schmidt, fighting to save his government, warned his Cabinet that failure to agree on the budget could mean the coalition's end.

The chancellor said it is not only a question of a budget but of the political perspective of the coalition, government spokesman Lothar Ruchl told a news conference.

To reach a compromise Mr. Schmidt agreed in demands of Foreign Minister Hans-Dietrich Genscher's Free Democrats that economies be made in such social services as hospitalization payments. The deadline for drawing up a budget is July 7.

Balance of Power

The agreement, for the time being at least, appeared to end the possibility the Free Democratic Party, which holds the balance of power in the Bonn Parliament, might switch its support to the opposition Christian Democrats and topple Mr. Schmidt, who succeeded Willy Brandt as coalition chancellor in 1974.

The FDP, alarmed by the coalition's recent heavy losses in regional polls, had made agreement on the budget a condition for staying in the government. The chancellor decided to throw his personal weight into the budget negotiations after the coalition failed to reach accord in weeks of baggling.

START Brings 2 Tough Veterans of Arms Talks Back to the Table

Rowley, Known as a Skeptical Intellect, Disliked Old U.S. Bargaining Style

WASHINGTON — Nearly 20 years ago, Edward Leon Rowley, poured after-dinner cognac for some guests in his cramped rooms in a Saigon bachelor officers' quarters, put a recording of his own harmonica music on a tape deck and settled back to ask several reporters their impressions of how the Vietnam War was going in the Mekong Delta.

Startled by the reporters' pessimistic views, a newly arrived colonel who was also present objected that they must be mistaken.

Mr. Rowley, then a major general, interrupted in a gruff voice, "Shut up, dummy, you might learn something."

In the next 16 years, Mr. Rowley was given only one more general's star, but he retained a reputation as a skeptical intellect, suspicious of official policy lines, willing to listen to diverse points of view and with a strong dislike for apple-polishing.

Tuesday in Geneva, Mr. Rowley, who retired from the Army in 1979 to be free to oppose the strategic arms limitation treaty signed that year, began the task of attempting to negotiate with the Soviet Union a new treaty on reductions in long-range nuclear weapons.

Mr. Rowley spent the years 1973 to 1979 as the representative of the Joint Chiefs of Staff to the U.S. strategic arms negotiation team in Switzerland. He came not only to dislike the treaty ultimately signed in 1979 but also the American negotiating style.

In testimony before two Senate committees in 1979, Mr. Rowley, who speaks Russian, recalled that his Soviet counterparts tended to exploit indications of American flexibility and to respond favorably to toughness.

Mr. Rowley was one of several witnesses who embraced the argument that Americans tended to be too "success oriented" to negotiate

well with Soviet officials, seeking new formulas for agreement while the Russians stuck insistently to the main elements of their original position.

No one thinks Mr. Rowley will have an easy task in the months and, probably, years ahead. He brings to the negotiating table proposals by President Reagan for deep reductions in strategic, or intercontinental, nuclear weapons, not simply limitations putting a cap on the growth in weapon inventories that characterized previous treaties.

Mr. Rowley has said he thoroughly approves of proposals for such relatively sweeping reductions. But he seems to have few illusions that the Soviet leaders will quickly or easily accept treaty proposals that require drastic changes in national military acquisition policies.

Mr. Rowley, the son of a Polish immigrant who had lived under

Russian rule, graduated from the military academy at West Point in 1941. He commanded both engineer and infantry battalions in World War II and ultimately a regimental task force of the 92d Division in Italy.

During his period as military representative to the arms negotiations, Mr. Rowley argued fervently that the Soviet Backfire bomber should be counted as a strategic, intercontinental weapon, although the Russians count it as a medium-range bomber.

His superiors on the Joint Chiefs of Staff eventually came to accept a compromise under which the Soviet Union agreed to limit production of the Backfire but did not count it in intercontinental weapons. This apparently was a factor in Mr. Rowley's leaving the Army.

The issue of the Backfire may arise again and confront Mr. Rowley with questions of consistency in the new negotiations.

Westerners Respect Karpov as Skilled, Knowledgeable

MOSCOW — Negotiating disarmament pacts is a long and tedious process, as Viktor P. Karpov must be among the first to know.

The Soviet diplomat has been at it for more than a decade, and on being named to lead the Soviet negotiating team at the new round of strategic arms reduction talks in Geneva he quipped that he was probably in for at least another 10 years.

Like Edward L. Rowley, the retired army general who leads the American side, Mr. Karpov is a veteran. He was on the Soviet team that negotiated the first strategic arms limitation agreement in 1972, and he led the negotiations in the final stages of the long bargaining that produced the treaty signed in 1979 that President Reagan rejected as "fatally flawed" and that Mr. Rowley fought to block.

Mr. Karpov, 53, and Mr. Rowley, 65, are now charged with

building a new pact on the remnants of that one, and the negotiations promise to be drawn-out, frustrating and difficult. But the grins and back-slapping with which they met Tuesday for the first private session in Geneva suggest that the camaraderie built up through hundreds of hours of previous talks may come in handy.

Past Relationship

Mr. Rowley said June 1 that his past relationship with Mr. Karpov might even speed up the talks a bit. "The Soviet ambassador and I have been through SALT-2, we know each other," he said. "We know the issues. We can dispense with a lot of the formalities and a lot of the niceties."

Western diplomats who have dealt with Mr. Karpov have invariably come away impressed. One described him as "tough, all meat and potatoes," and as a professional well-versed in American negotiating techniques. Mr. Karpov is

also frequently described as intelligent, well prepared, knowledgeable on the subject of strategic arms, fluent in English and skilled at negotiating.

Personally, diplomats describe him as urbane, witty and relaxed in the company of Western colleagues, attributes that should prove helpful during the complex and arduous process ahead.

Mr. Karpov graduated from the Institute of International Relations in Moscow, then spent 1962 to 1966 working at the Soviet Embassy in Washington. On his return to the Soviet Union, he worked at the Institute of the United States and Canada, and then turned to strategic arms.

Western diplomats suspect that Mr. Karpov, while in Geneva, will have relatively little autonomy from Moscow. He is not on the Communist Party Central Committee and does not appear to hold high rank in the Soviet hierarchy.

INSIDE

- In Mexico's presidential elections this Sunday, the result is certain: Miguel de la Madrid Hurtado will be elected. The question is: What will the new administration mean to Mexico's depressed economy, its Caribbean influence and its ties with the United States? **Insights, Page 6.**
- In the United States, another record wheat crop is expected but the huge supplies from last year's crop have deflated prices and made nonsense of the government's acreage reduction program. **Page 3.**
- Wimbledon's sun-filled day belonged to 38-year-old Billie Jean King, who upset Tracy Austin 3-6, 6-4, 6-2. The three top men clicked into the quarterfinals: John McEnroe, Jimmy Connors and Vitas Gerulaitis all advanced. **Page 13.**
- Igor Gouzenko, 63, a Soviet Embassy cipher clerk whose sensational defection in 1945 shattered a major Soviet spy ring, died in Canada. **Page 5.**

sonnel weapon. One, known as the CBU 58, and designed to disable "thin-skinned" vehicles such as trucks, radar antennae and radar

Big U.S. Crop, but Farmers Worry About Prices, Exports

By Seth S. King

NEW YORK, N.Y., July 1 — This is the year when Kansas usually produces the state of the golden

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Democrats: Onward, Tentatively

Iowans Exemplify Mid-Term Uncertainty of Party

By Martin Schram

Washington Post Service

WASHINGTON — Art Hedberg of Des Moines, who was big for Edward M. Kennedy in '80, has heard the call to battle again.

"I'm getting to be an old man," said the middle-aged attorney who was in the advance guard of the draft-Kennedy movement last time. "I don't know if I can do it again with this. I've never been in a campaign that lost so bad but had so much fun."

Another Iowan, David Manley, the county chairman from Mason City, observed: "I still like Kennedy, but I'm only leaning. I want to take a good look at Gary Hart."

Yearning and Uncertainty

For all the talk of who won and who finished in what order in the presidential election, the Democratic mid-term conference in Philadelphia last weekend, the uncertainty and fluidity of the presidential politics to come was reflected in the 13 delegates from Iowa, the nation's first presidential caucus state. They will be among the nation's earliest decision-makers in 1984 and they left Philadelphia enthusiastic but uncommitted.

Even as the cheers echoed through the Philadelphia convention hall, a number of delegates expressed a yearning for

new faces and uncertainty about the electability of the front-runners they were celebrating.

Mr. Hedberg and Mr. Manley reflected this. And among the Walter F. Mondale backers was Melvina Scott.

She came to Philadelphia backing Mr. Mondale, as she had backed Carter-Mondale in 1980, and came close to political ecstasy when his speech captivated the conference on open-

ing day. But Sen. Kennedy's emotional climax to the convention had brought her to the brink of conversion.

"Now they're both up there equally," said Mrs. Scott, an insurance agent from Waterloo. "I was going to divide my time between selling insurance and Mondale. Now maybe I'll sell insurance and Mondale and Kennedy too."

Mr. Mondale had the most to lose in Philadelphia. He was actually a front-runner by reputation after two years of traveling the country as a former vice president, he came out of the latest Gallup Poll as the presidential choice of only 12 percent of the Democrats polled.

Whom? By Sen. Kennedy's 45 percent and just a few points ahead of the pack.

Even his circle of advisers had been privately cautioning that he was in trouble, that his candidacy seemed in danger of being

doomed before it started. And that he faced the risk of being written off by the Democratic insiders who were supposed to be his strength if he could not score better with the party loyalists and officeholders at the mini-convention than he was in the polls.

And so the Mondale camp was duly enthused — and relieved — when their leader, who was not known for his dramatic flair, scored grandly on the opening day.

Sen. Kennedy's goal was to head the wounds from his challenge to the party's incumbent president in 1980. He did that by praising Jimmy Carter in his speech. And he seemed to make progress toward that end in his private meetings with delegates as well.

But Sen. Kennedy, with his brilliantly constructed speech, also wooed additional support that perhaps he did not realize he had to win. This was from Chuck Clifford, of Iowa's United Auto Workers, who was instrumental in Mr. Carter's first victory in the state's 1976 caucus, but who became disillusioned and switched to Sen. Kennedy in 1980.

"Frustrated"

Before Sen. Kennedy spoke, Mr. Clifford had said: "I'm sick and tired of this. I'm not a young man anymore. I'm sick and tired of hearing platitudes from the candidates."

And after: "He buoyed me up again. I was apprehensive about another Kennedy effort because he took such a beating last time. But he seemed much more mature... a statesman."

The other five still have many months: John Glenn, whose fame still comes mainly from the trail in space he once blazed; Gary Hart, whose infatuation with issues and answers runs against the grain of traditional campaigning; and Ernest Hollings, Alan Cranston and Reubin Askew, who are still little known nationally.



Edward M. Kennedy

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Reagan Reportedly Will Allow Donovan To Remain in Cabinet

By Steven R. Weisman

New York Times Service

WASHINGTON — President Reagan has come to feel that Secretary of Labor Raymond Donovan's continuation in the Cabinet may be politically damaging to his administration, but that Mr. Donovan should be allowed to remain in his job, according to White House officials.

These officials said Tuesday that Mr. Reagan or the White House press office would likely announce Wednesday that Mr. Donovan will remain as secretary.

One key aide said the president and his staff wanted to make an announcement quickly to avoid the appearance that the secretary was being allowed to "twist slowly in the wind" while political opposition to him builds.

A special prosecutor announced on Monday that he had found no evidence to justify charging Mr. Donovan for any crimes when Mr. Donovan was a New Jersey construction company executive and fundraiser for Mr. Reagan's election campaign.

Fred F. Fielding, the White House counsel, was understood Tuesday to be close to completing his review of the 1,025-page report from the special prosecutor, Leo Silverman, who had been examining the allegations since last year. One official, referring to Mr. Donovan, said: "It looks like he's going to be all right."

Political Liability

In interviews, White House officials last week suggested that Mr. Donovan had become a political liability to the president and that they had agreed among themselves that it would be best if he stepped aside. They said they had not conveyed this view to the secretary, however.

On Tuesday, the officials said two things had changed since then. First, as one official put it, "that was before we knew that the special prosecutor would come in with a totally clean bill of health for Mr. Donovan." Second, this official said, Mr. Reagan was determined not to be "swayed by arguments about what's good for him politically."

"The president is eminently fair-minded about this," said an aide to Mr. Reagan. "He feels strongly that it is important that Ray Donovan get absolutely fair treatment."

Another knowledgeable official said that Mr. Reagan could not bring himself to ask Mr. Donovan to leave if Mr. Donovan continued to want to remain on the job. This official said the president's customary unwillingness to dismiss aides who had been loyal to him had been compounded by the unpleasantness of the departure last Friday of Secretary of State Alexander M. Haig Jr.

Mr. Donovan's loyalty to Mr. Reagan extends back to the earliest days of his last presidential campaign, according to White House officials.

Ties to Democrats

Mr. Donovan had been involved in fund-raising for some New Jersey Republicans, but had close ties to the Democratic Party organization in Hudson County and helped the Reagan team win support among key Democrats in New Jersey. Eventually he was credited by campaign associates with having

raised more than \$500,000 for the campaign, most of it in contributions of \$1,000 or less.

The special prosecutor's report said Monday that some subcontractors and vendors for the Mr. Donovan's firm, the Schiavone Construction Co., had felt pressured into making contributions to the Reagan campaign. But the report said there was no evidence of direct involvement by Mr. Donovan, and no evidence the federal election laws prohibiting corporate contributions to campaigns had been violated.

At fund-raising events in New Jersey, Mr. Donovan got to know both Mr. Reagan and his wife, Nancy, and impressed them with his effectiveness and loyalty.

TV Crews Found Alive in El Salvador

Reuters

SAN SALVADOR — Six television crew members have been found huddled together and unharmed after falling into leftist guerrilla hands in fierce fighting near the town of Suchitoto, the army said.

Troops found the six men — working for NBC and Britain's Independent Television News — sitting close to the main Suchitoto-San Salvador highway Tuesday. The army said the journalists spent Monday night at an insurgent stronghold near Suchitoto after being held by the rebels.

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Herald Tribune

Published With The New York Times and The Washington Post

Hope for Missile Cuts

From THE WASHINGTON POST:

Ronald Reagan gambled in putting off for nearly 18 months his return to the strategic arms negotiating table. He figured to use the time to crank up a big arms-building program. What happened, however, was that large swaths of his public, American and European, became restless. As a result, although Mr. Reagan has been getting most of what he has sought so far in arms, he has had to mollify sentiment for a "freeze," sentiment that would hinder precisely the building he believes is essential to erase a putative Soviet missile lead and to make Moscow take his negotiating proposals seriously.

This is the content in which Mr. Reagan has been striding eagerly toward the table he turned away from earlier. He reached it Tuesday when START talks with the Soviets, aimed at the reduction rather than just the limitation of the nuclear weapons, the two sides aim at each other, opened in Geneva.

The administration is not pleased to have the freeze movement on its back. It fears the Soviets will be encouraged to hang tough to see whether Mr. Reagan can keep his public with him into 1984. Still, the pressure on the president may not be altogether a bad thing — and not simply because it may compensate for the departure of Secretary of State Alexander Haig, the leading administration proponent of a moderate reading of President Reagan's strategic policy. The president brought much of his difficulty on himself; it

took him about a year, for instance, to start adjusting his public utterances to political realities and to drop the impossible conditions he had set for resuming arms talks — namely, that Washington first close the perceived Soviet missile lead and that Moscow first reform its international conduct. Even now there is legitimate debate about the premise on which he is entering START.

The premise is that the Soviets have a "bulge," especially in the highly accurate land-based missiles theoretically suitable for a first strike. The administration hopes to induce Moscow to yield that advantage; in exchange it would forgo some part of its new weapons plans. The Kremlin takes another view, acknowledging its lead in the branch of special administration concern but arguing that Americans excel in branches of special Soviet concern and that overall the two sides stand at rough parity. Its negotiating stand reflects this no-bulge premise.

For all of the administration's anxieties about the peace movements, it does not appear to face anything like the opposition to SALT-2 that Ronald Reagan helped organize and rode to the White House. That means Mr. Reagan has the opportunity to test his negotiating strategy. In urging the Soviets to look carefully at his proposals, he promised to look carefully at theirs. There is a basis for hope that, no matter how far apart the two sides are as they begin START, they can come closer as the talks go on.

Reagan's Caribbean Fizzle

From THE NEW YORK TIMES:

The air is running out of the Caribbean Basin Initiative, for three reasons: President Reagan and aides show little sign of caring; as the November election nears, the power of protectionist lobbies grows; liberals and moderates suspect the plan is just a cover for new military aid to El Salvador.

The story is sadly familiar. Time and again the United States has proclaimed itself ready to foster growth and stability in its backyard. Enthusiasm lasts about six months, until full measure is taken of the resistance to anything that costs money or risks jobs.

President Reagan's plan was indeed bold. It envisioned benefiting 22 million people in 33 countries with trade preferences, investment incentives and \$350 million in emergency aid (including \$128 million for El Salvador). Preferential tariffs would be a break with American practice, but they confirm Reagan's faith in free-market development.

The heavy brood of military aid in Congress. Two wars, a presidential voyage and the Haig resignation have been distracting. Even so, the initiative was never shown even a fraction of the ardor Reagan gave to selling

AWACS to Saudi Arabia. Contrary to the interests of the Caribbean (or of Americans, for that matter), the administration meekly yielded to sugar import quotas. The great initiative sits stalled in the Senate Finance Committee and is under attack from many sides.

Caribbean leaders still expect deeds to match Reagan's words. Their need is underscored by the plight of Costa Rica, an insouciant yet stable democracy. The country's troubles stem from its own mistakes and from sinking coffee prices, soaring energy costs and the liberality of foreign banks, to whom it now owes \$3.2 billion.

In Washington last week, President Luis Alberto Monge heard the usual pieties about hemispheric solidarity. Maybe he will be helped before he must settle accounts with the International Monetary Fund. Congress in fact took the unusual step of expressly earmarking \$20 million as emergency aid to Costa Rica last winter. But the money has yet to be disbursed, what was meant as a gesture of solidarity is now hostage to the IMF deal.

If President Reagan really cares about the region, he has about two months of legislative time in which to prove it.

Other Editorial Opinion

An Urgent Job for Shultz

The message behind [Tuesday] night's communiqué from the Europeans is plain and probably the better for its plainness: The components of the Western alliance are drifting apart. Mutual distrust, straight nationalism and economic nationalism bred of economic fear are coming between them and are threatening the principle of free and fair trade on which their unrivaled prosperity was once based. This is a consequence which the unpleasant process of eradicating Western inflation, of reconciling Western expectations with Western economic performance, cannot be allowed to have; and this is why the "genuine and effective dialogue" urged in the communiqué is the most pressing duty facing the new U.S. secretary of state.

—The Financial Times (London).

In suitably diplomatic language, the Europeans are telling President Reagan that he is not only failing to keep his side of the Versailles summit bargain but is also riding roughshod over his allies' economic interests. Europe and America are now on the brink of a potentially grave breakdown of trust. American economic policies are helping to prolong a recession which is in turn undermining — as the steel case shows — the free trading system to which the West is supposedly committed. President Reagan had better wake up quickly. If he continues to act as if America were an economic island, he will rapidly find that it has become one.

—The Guardian (London).

After Haig's Departure

[A current] reassessment of American Middle East policy may lead to a new American understanding of the present dangers and the importance of prompt remedies.

—Radio Saudi Arabia.

President Reagan's foreign policy has so far proved to be a confused stumbling from one issue to the next, and the surprising change of secretary of state does not strengthen belief that the world's mightiest nation will adopt an orderly and wise foreign policy.

—Helsingin Sanomat (Helsinki).

We doubt that Mr. Shultz will have much disagreement with the president's tough line toward the Soviet Union. Both know a bit

about bargaining from their labor relations days. Both are likely to see clearly that the Soviets have yielded almost nothing to our complaints about repression in Poland and meddling in Central America. On economic affairs, both are essentially non-interventionist. Mr. Reagan tilts toward Israel and Mr. Shultz is said to tilt toward the Arabs, but that is not necessarily a bad thing when you consider that the United States has had a consciously ambivalent foreign policy toward the Middle East for years. At any rate, both must know there can be no solution to the present Lebanon crisis without Israel's agreement, given its formidable military presence on the ground and its vital security interest.

We have complained in the past about policy management in the Reagan administration. Mr. Reagan has hired himself a first-class manager. More to the point, he has made it clear that he, the president, is the man in charge.

—The Wall Street Journal (New York).

A Lesson for Argentina

Argentina's share of the Falkland aftermath is a textbook example of the shocking consequences that ensue when political and military power are concentrated in a single hand. Whether the country will draw all the appropriate conclusions from the lesson seems questionable when the public rejoicing that accompanied the start of Galtieri's adventure is recalled. But once the emotions have cooled, Argentina and its policies are unlikely ever to be quite the same again.

—New Zürcher Zeitung (Zurich).

Spooks Flee the Condos

Apartment dwellers who have suddenly been forced either to buy their apartments or find somewhere else to live aren't the only people affected by the condo craze. The FBI is hunting, too. It says it has had to move out of many of its secret apartments, which it uses to monitor the activities of foreign agents, because they have been converted to condominiums. The problem is especially acute in cities like New York, Washington, Chicago and San Francisco, where there are high concentrations of foreign agents. In some cases, the foreign agents have bought the same apartments the FBI has vacated.

—Scripps Howard Newspapers.

So Who's in Charge Now?

By James Reston

WASHINGTON — You don't have to be a great admirer of Al Haig to recognize that he was virtually insulted out of the State Department. In some ways he asked for it, and maybe he should have been fired or never hired, but the way they got rid of him was shabby.

Small incidents sometimes tell big stories. On President Reagan's recent trip around Europe, where Haig is more popular than he is at home, it was made clear to him by trivial slights that he should stay out of the president's limelight.

The purpose was clear and fair enough. This was the president's first trip to Europe and his staff did not want him to appear in Haig's shadow. The point is so obvious that you would assume it might have been handled with a word to the secretary, without relegating him to an inferior place on the president's plane or excluding him from the reception lines.

Haig's mistake — he had made it repeatedly from the beginning — was to take these incidents as an affront to his office. It is a very old tragedy in Washington: People fail in politics and the press when they begin to think they are what they are, for a short while, merely representing the president.

But this dodges the main points. There were differences in the admin-

istration about how to handle the wars in the Falklands and Lebanon. The president didn't handle them. And knowing that he wouldn't or couldn't, Reagan's principal aides went off on their own.

While Haig was insisting that the Israeli invasion of Lebanon, no matter how brutal, might finally lead to the destruction of the military presence of the PLO in Beirut and the possibility of a negotiated settlement of the Palestinian problem, the vice president and the secretary of defense were in Saudi Arabia denouncing Israel. The new head of the National Security Council, Judge Clark, was giving the same message to the Saudi ambassador in Washington.

The same problem existed over U.S. policy on the Soviet-European gas pipeline. At the European summit meeting, President Reagan did not tell the allies that he proposed to blacklist U.S. companies or their European licensees who cooperated in the pipeline project.

But with Haig out of town seeing Andrei Gromyko in New York, the president brushed aside the State Department's argument that this would infuriate the allies without hurting the Soviets. So Reagan ordered the embargo, just a few days before starting to try to reach a strategic nuclear arms agreement with Moscow.

One line runs through all this tangle of personality and policy and ends up in the Oval Office: The human and political problems were never faced with candor or even with courtesy, only with nonchalance.

The irony is that President Reagan's staff manipulated all this in the hope of making the skipper look presidential — and ended up by making him look ineffectual.

Clark gave the Saudi ambassador his own view of the Lebanon crisis. Vice President Bush told the Saudis what he thought of the invasion of Lebanon. Haig, who believes in lines of command, offered to resign — precisely what the Californians in the White House expected and wanted.

This was all very clever, but now that Al Haig is gone, what is left? Wally Stoessel, the deputy secretary of state, will be leaving at the end of the year, as promised. George Shultz has asked Larry Eagleburger, the undersecretary for political affairs, to stay on, and Eagleburger, as usual, has agreed. But the problem remains. The president may be more "comfortable" with Shultz than with Haig, and now more "in charge" of foreign policy with his California buddies. But, as we say around here at the changing of the guard, what will he do since he is now "in charge"?

The New York Times.



Is the Purpose to Fight the Kremlin or to Compete With It?

By Marshall D. Shulman

NEW YORK — After President Reagan's speeches to the United Nations and the British Parliament attacking the legitimacy of the Soviet regime and calling for a global campaign to undermine it, a prominent American television commentator observed that the president's rhetoric toward the Soviet Union was harsher than his actions. This judgment obscures the fact that the rhetoric is not cost-free for America and that the administration's conflicting actions toward the Soviet Union reflect a confusion of purposes.

Toward what end is Reagan driving in his conduct of relations with the Soviet Union? One day he speaks of negotiations to bring the nuclear military competition under control. On other days he calls for a crusade to bring the Soviet system to its knees, for economic warfare, for maximizing the Kremlin's troubles in Eastern Europe, for playing on the nationalist sentiment of Soviet minorities.

Negotiations with Moscow to stabilize and moderate the competition in strategic nuclear weapons are at long last beginning, but no one can expect them to be productive when at the same time the administration seeks to bring about the collapse of the Soviet system.

It is imperative, given the confusion of purposes, that Americans think through where government's actions and policies are taking them and whether these serve the national interest.

There is cumulative anger and apprehension about Soviet conduct. The Kremlin's troubles in Eastern Europe, for playing on the nationalist sentiment of Soviet minorities, the invasion of Afghanistan was a brutal violation of norms of international conduct. All this is

properly subject to criticism and condemnation. But there is a difference between firmness in defense of American interests against Soviet expansionism, and a provocative, belligerent crusade to bring down the Soviet system.

There has been a "hidden agenda" in policies urged by the extreme right even before the beginning of the Reagan administration.

Punitive actions against Moscow were taken by the Carter administration after the trumped-up trial and sentencing of the dissident Anatoli Shebaransky, the "discovery" of a Soviet brigade in Cuba, the invasion of Afghanistan and the exile of the physicist Andrei Sakharov to Gorki, and by the present administration after the crackdown on the Solidarity movement.

Diplomatic contacts have been drastically reduced; restrictions on economic relations have been progressively tightened, except for shipments of grain, exempted for domestic political reasons; cultural, academic and scientific exchanges have been reduced, and almost all the 11 limited cooperative programs set up a decade ago have been dismantled. Washington has talked of military cooperation with China. Ratification of SALT-2 was shelved after seven years of talks. America has sought to force the pace of the nuclear military competition.

Right-wingers who want to move step by step toward a confrontation have supported these measures, the aim being to set the stage for an ideologically driven campaign to force either capitulation on American terms or collapse of the Soviet regime by exploiting its serious economic problems and its related troubles in Eastern Europe.

However, the more probable effect of this

policy will be different. Whatever strains and costs may be entailed, Soviet leaders will further increase military programs in response to America's. The prospect for any serious arms control negotiations — as distinguished from propagandistic posturing by both sides — will further diminish, while both sides will deploy new weapon systems that are less verifiable and less stable than present systems.

The Soviet Union's conduct can be expected to be more combative in response to the U.S. challenge to its very existence. Every problem America faces in its foreign policy will be more difficult and more dangerous. Future Soviet leaders cannot avoid feeling that the option of more constructive relationship has been foreclosed. The military and political-police bureaucracies will be further strengthened, and there will be an increase in the repressiveness that Americans wish to see eased.

The allies regard with apprehension this trend in American policy, as exemplified by the Reagan ban on the use of U.S. pipeline technology in European trade with Moscow. Alliances with Western Europe and Japan will be severely strained. Only China will cheer America on.

It is unlikely that the present Soviet regime can be overthrown by such policies. Even if it were, there are no grounds for believing it would be replaced by one that was more democratic. Most Soviet dissidents have eschewed a revolutionary course because they believe the alternative, if it came about in this way, would be more nationalistic and more repressive.

If we accept that the paramount and most urgent problem in relations with the Soviet Union is to bring the nuclear military competition

under more rational control, it follows that the primary U.S. objective must be to negotiate seriously with the Kremlin its present and future leaders, without linkage to other actions of the regime, however reprehensible they be.

The relationship is fundamentally competitive. The question is how to manage that competition in a way that best protects American security, interests and values.

If the United States succeeds in reducing the danger of nuclear war by maintaining a stable military balance at more moderate levels, there is no doubt that it can compete effectively in every other way. It will have the advantage: the political costs, provided it recognizes more clearly than now that the primary cause of instability in the world are not caused by the Soviet Union, however much it may seek to exploit them wherever they arise.

And if the long-term purpose is to move toward a less dangerous and more constructive relationship, Americans must consider what combination of incentives and constraints will lead future generations of Soviet leaders to see self-interest in conduct that is less repressive, at home and more responsible abroad.

The policy of so-called détente was too imprecise and too inconsistently applied to be a useful model. The Soviet Union and the United States both have choices to make.

The writer is professor of international relations and director of the Russian Institute at Columbia University. He was special adviser on Soviet affairs to Secretary of State Cyrus R. Vance and Edmund S. Muskie, and is the author of the forthcoming book "Reason and Realism: U.S. Foreign Policy and the Soviet Union." He contributed this comment to The New York Times.

The Case for an Interim Freeze on Strategic Weapon Systems

By Gerard Smith

WASHINGTON — As arms control negotiations begin in Geneva, the stated purpose of President Reagan's arms control proposals is to improve the "stability" of the strategic balance. But it is not at all clear that they would accomplish this purpose, especially since during the years that the president admits may be necessary to negotiate a new arms control agreement the United States presumably would be building missile systems that would threaten the Soviet Union's missiles even more than existing weapons do.

Put briefly, the proposals envision a two-step process. In Phase I, both countries would reduce the total number of warheads on their ballistic missiles to equal levels at least one-third below the present number — to about 4,000 warheads each. Not more than half of these warheads could be placed on land-based missiles, the rest on submarines. These reductions would take place as soon as possible.

In Phase II, some time in the future, America would seek equal ceilings on other kinds of strategic weapons (these other systems are undefined) and on ballistic missile payloads — in both cases, ceilings lower than current American levels. Cruise missiles and bombers would also eventually be limited equitably.

To these proposals the president added sensible words about American willingness to listen to Soviet counterproposals and about not ruling out the control of any weapon. In his words, "Everything is on the table." And he promises not to undercut SALT-2 if the Russians don't.

The Soviet Union's reaction was predictably unenthusiastic. The American proposals, it said, were unfair: They would reduce systems central to Soviet security while having less impact on U.S. weaponry. Three-

The writer was chief U.S. negotiator in arms limitation talks from 1969 to 1972. This is the second of two articles.

fourths of Soviet nuclear power, Moscow said, rests in its intercontinental ballistic missile force, which Reagan would sharply reduce, but only one-fourth of U.S. strategic forces are land-based. Moscow claimed, too, that the proposals would put off to an uncertain future control over the U.S. weapon systems of most concern to it: bombers and Cruise missiles.

What the Russians fear is that the proposals would allow for the development of new weapons that could only result in a less stable balance. President Reagan's proposals aim at ending the escalating spiral toward more and more dangerous weapons, as well as reducing the risk that in a deep crisis either side might feel so vulnerable to surprise attack that it would strike first. But his plan would leave dangerous loopholes that would let both countries sprint ahead in the use of more sophisticated technology.

The proposals would not limit the number of warheads on each Soviet missile, and as a result would allow the Russians to amply target the smaller number of U.S. missiles that would be deployed once Phase I went into effect. It is therefore hard to see how the plan would allay concerns that U.S. ICBMs are unduly vulnerable to Soviet surprise attack.

The Reagan proposals would also allow American advances that can only seem unsettling to strategic planners in Moscow. The Russians would be asked to reduce the number of their ICBMs, but the United States would be free to increase the number of warheads per missile by deploying the MX, aimed at the Soviet Union's reduced ICBM force.

It seems worth pointing out that SALT-2 would not have permitted this to happen. The most prudent

course now would be to ratify SALT-2 and, with its ceilings nailed down, move on to reductions which, in addition to setting lower overall levels for missiles and warheads, would limit the number of warheads each missile can contain. But the proposed MX missile deployment plan called Dense Pack would not be consistent with SALT-2 and may not even be consistent with the 1972 treaty sharply limiting anti-ballistic missiles.

Already administration officials are saying that not every proviso of SALT-2 need be lived up to. This is a dilemma that the administration will soon have to resolve.

What is needed, in the meantime,

to prevent the development of new destabilizing weapons is an interim freeze on all strategic nuclear systems. Failing that, further destabilization should be prevented by a congressional resolution endorsing SALT-2 or firmly holding the administration to its promise not to undercut that pact. Certainly the prospects for reaching a new agreement will be somewhat brighter if the administration and Congress decide not to do so.

Better still would be a decision to modernize the missile force in some other way — perhaps to shift a larger part of it out to sea.

LETTERS TO THE EDITOR

Lebanese Realities

Professor Nadav Safran's comment ("An Imaginative Solution for the Middle East," JHT, June 14) reflects considerable political wishful thinking. While he is correct that the Israeli move into Lebanon makes possible some political reconstitution of that country, and that urgent American peace initiatives are needed, it is naive to think that the defeat of the PLO military wing puts the Camp David process on track again.

Lebanon was never effectively unified, in the sense of common national identity. The majority of old Lebanese political parties opposed the existence of the state, and there were totally separate Moslem and Christian school systems long before the PLO and the Syrians moved in. Prof. Safran fails to mention the concept of majority rule in his constitutional

suggestions; this is the thorniest issue — and the reason no Lebanese census was taken after the mid-1940s.

Still, the Lebanese experience and the effect of war-weariness offer some hope that a constituent assembly might produce a working constitution. Something would have to be done to disarm the roving political gangs, reform the traditional system of Lebanese political "bossism," and create more than a "small" Lebanese national army to keep order.

Far more dubious is Prof. Safran's contention that the PLO defeat and Syrian weakness will make Jordan, Saudi Arabia and the West Bank and Gaza Palestinians more amenable to an Israeli-U.S.-inspired settlement. PLO threats were hardly the primary reason for Camp David's failure to attract wide support. The PLO following among West Bank mayors, some of whom have been clumsily

exiled, and among Palestinians in all walks of life had far deeper nationalistic roots than mere fear of reprisals. Jordan and Saudi Arabia are compelled, for domestic reasons, to pay heed to Palestinian nationalism, not simply to PLO power.

Prof. F.S. PEARSON,
University of Missouri, St. Louis.

Israeli Credibility

Regarding "Israelis Have Lost a Lustre" (JHT, June 28): The truth is that Israel has gained credibility by its operation in Lebanon. It has gone all the way to Beirut to root out the terrorist organization that has been afflicting it for the better part of 20 years. The Lebanese know the Israelis are not in Lebanon to win territory but to ensure credible security.

H. PHILIPPE,
Corcelles, Switzerland.

JULY 1: FROM OUR PAGES 50 AND 75 YEARS AGO

1907: Bathing Suits in New York

NEW YORK — Bathing suits may be worn in New York, anywhere in Broadway, Fifth Avenue or Coney Island. This is the official reply of the corporation counsel, Mr. Ellison, to Police Commissioner General Bingham's inquiry on behalf of the Rockaway Taxpayers' Association, which asked him "How far can bathing suits go in the area of use and as to the material, as a legally sufficient costume?" The police are not censors of public morals, says Mr. Ellison, and citizens can dress as they please as long as their attire is not a disgrace or a breach of public decency. Meanwhile, the street cleaning strike is still serious and garbage heaps are appearing in the West Side residence district.

1932: Prince Advises the Empire

LONDON — The Prince of Wales, confined to bed under doctor's orders with a chill in the stomach, was unable to attend the Canadian Dominion Day dinner here at which he was to have made the principal speech. His speech, however, was read by Prince George and proved a surprise in that the Prince of Wales appeared to take sides publicly in the matter of domestic and imperial policies. He considered the question whether at the Ottawa conference Great Britain should strive for an empire economic bloc with a high tariff wall against the rest of the world, or merely seek a mildly preferential agreement leaving the way clear to extend trade outside the empire. The Prince took the latter view.

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ARTS/LEISURE

Dewhurst's 'Quixote': Scofield and a Bad Tilt

By Sheridan Morley
International Herald Tribune

LONDON — Bill Bryden's *Quixote* has long been the National Theatre's greatest built-in strength, though the occasional ventures onto other NT stages have proved somewhat less triumphant. Now they're back in the wide open spaces of the Olivier Theatre, with Keith Dewhurst's patchy, rambling, very occasionally magical adaptation of "Don Quixote" and it still has to be said that, for all the eccentric wonders of Paul Scofield in the title role and Tony Haygarth as his faithfully downtrodden Sancho, there is something very lost-looking about the rest of the company when they forsake their original home.

Certain images of Scofield and Haygarth on their wonderful tricycles, carrying the long and perilous journey downstage while an inventive new score of songs for their quest will doubtless live on, but for the rest of the play, and undoubtedly they do exist, Gilda and Otto and Leo are unable to live apart, and only at the very last are they able to live together. On the road to that discovery, they leave behind a litter of other human beings who mistakenly get in their selfish way, as well as a trail of lost pretenses about themselves.

Of all the major Noel Coward comedies, "Design for Living" (at the Lyric, Greenwich) is perhaps the least known and the most interesting. It is a play about an ambisexual triangular relationship, written in 1932 as an American musical, and it has since become a part of the repertoire of the Lyric. At that time all three were trying, without much initial success, to make names for themselves on Broadway; they became close friends and the agreement was that when each had established himself or herself as a star independently of the other two, Coward would write a play for them to perform together.

Inevitably therefore, in this story of Otto who loves Gilda who loves Leo, who loves Otto, one starts looking for clues, lifelines that go beyond the play, and undoubtedly they do exist. Gilda and Otto and Leo are unable to live apart, and only at the very last are they able to live together. On the road to that discovery, they leave behind a litter of other human beings who mistakenly get in their selfish way, as well as a trail of lost pretenses about themselves.

All three are at one stage or another highly and fashionably successful. Otto is a painter, Gilda is an interior decorator and Leo is a playwright. Only Leo has much to say on the subject, however, and what he does say is pure Coward — live with your success, put up with its inconveniences, revel in its joys, never complain, never explain. It is a comedy about three people in love with themselves and each other, it's also a play about bisexuality, about success, and about the triumph of the artist, all themes that were to become Coward's later writing but which he never played or directed in England. And it's the most difficult to do well, an audience expecting clenched fists and cigarette-held witticisms are instead led through a bittersweet triangular tale of pre-war morality in which Coward's immensely puritanical Victorian upbringing was brought into head-on collision with the legacy of 1920s sexual and social liberation.

The triumph of Alan Strassman's new production is the awareness that it's also a history of the 1930s. When Ian Ogilvy and Gary Bond (immensely cast as Leo and Otto) come on for the last act in white ties and tails looking as if they've only just failed the understudy audition for Jack Buchanan, you suddenly realize that Coward's unholly trio was an act, as securely locked together as the couple in Coward's "Red Peppers" only with more money and a better script.

In a strict sense, Alfred Molina is wonderfully funny as the unfortunate Dreyfus, while Gary Waldhorn and Tom Wilkinson are equally strong. A play that starts off somewhere midway between Anouilh and Pirandello is in danger of ending up as another "Cahane" without the songs, but Tom Kempinski's translation covers a lot of those tracks.

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The U.S. Case of the Sea-Turtle Shoes

By Joseph P. Fried
New York Times Service

NEW YORK — The shipment of more than 100 pairs of women's shoes had arrived at Kennedy Airport on a flight from Italy and was bound for a store in New York. Customs inspectors, noting that the shoes were made partly of a scale-patterned skin, referred them for further examination to agents of the U.S. Interior Department's Fish and Wildlife Service.

The agents found that the skin was from a species of sea turtle listed as endangered under the U.S. Endangered Species Act of 1973 and that importation of the shoes — like the importation of any product made from animals on the endangered list — was prohibited.

As a result, the shoes were seized and the Justice Department has filed a civil suit seeking permanent forfeiture. Said Jo Davis, an assistant U.S. attorney, who described the case, it is yet another instance of the government's enforcing the principle that "one way to deter and halt the killing of endangered animals is to eliminate the existing international market for products made from such animals," she said.

But according to Hrach Kervanjan, president of the company that imported the shoes, the case is another example of an individual's having unwittingly run afoul of intricate government regulations — in this instance the jungle of import restrictions under the Endangered Species Act. If he broke the law, "it was done unknowingly," Kervanjan said, adding, "I'm a businessman, not a zoologist."

Unfamiliar With Law

Alan Levitt, a spokesman for the Fish and Wildlife Service, while stressing that he was not commenting on the particular case, agreed that Americans travelers and business importers of animal products were often unfamiliar with the law. While acknowledging that it could be difficult for a layman to determine whether a certain product could legally be imported, he said that it was nevertheless the responsibility of the traveler or commercial importer to assure he is knowledgeable about U.S. laws.

That many of those buying abroad have not been knowledgeable

able — or, in some cases, have hoped to put one over on customs inspectors — is clear from reports by federal authorities. Since 1973, Levitt estimated, \$5 million worth of goods have been seized because they were made from animals protected by the act. He added that the instances of seizures had tapered off considerably in recent years.

But Amos Eno, legislative director for wildlife of the National Audubon Society, said that the society was still very concerned about the amount of forbidden animal products coming into the United States. He said that "assertions that a lot of products are coming in undetected are valid" and that, largely because of budgetary restrictions, enforcement by the Fish and Wildlife Service was still limited.

Among the more common products that are seized, officials say, are shoes, handbags and belts made from turtle, crocodile or lizard skin; jewelry and scrimshaw of whale teeth and elephant tusks, and items made from leopard, tiger, jaguar and ocelot skin.

Assistant U.S. Attorney Davis,

who is representing the government in the litigation over the turtle-skin shoes, has acted in a number of cases. "I've seized a leopard-skin rug, two ocelot coats, 55 crocodile handbags, 2,500 dried lizard skins, a jaguar skin and a leopard skull," she said.

More than 95 percent of the cases involving import violations end with the products being forfeited to the government, the officials said, though civil fines are also possible. Criminal prosecution may be sought for repeat offenders or in cases of evidence of willful violation.

Davis said that no such evidence existed in the case of Kervanjan; she said his shoe company was a first offender, so the government action is in the civil courts. Kervanjan said he would fight the forfeiture and seek to have the shoes, which would have sold for less than \$100 a pair, returned to the company that produced them. A company representative has assured him, he said, that "it was legal to import this if the proper documentation is presented to customs."

If the shoes are forfeited they will probably be used for educational purposes — as are most forfeited endangered-species items — in training programs for Fish and Wildlife and Customs agents or in museum displays or public exhibitions designed to spread awareness of the Endangered Species Act and the need for it. One thing is certain: The shoes will not be auctioned off by the government. "That," said Levitt, "is against the law."

Kabuki Spectacle With Lots of Stars

Plays in New York

The Associated Press

NEW YORK — The Grand Kabuki, called that because each play on the U.S. tour includes an unusually large number of star actors, has opened at the Metropolitan Opera House here.

Among the stars, Tamazaburo, 32, making his Western debut, is a superstar in female roles in Japan; Utamono, 65, and Kanazawa, 72, have been designated Living National Treasures.

The troupe remains in New York through July 10; several performances are sold out. The company will also perform in Knoxville, Tenn., and at the Kennedy Center in Washington.

The opening night lasted almost four hours, with three plays. In the first, "The Thunder God," the title role was played by Ebizo, a direct descendant of Danjuro I, who first presented the play in 1684.

Even with some cuts, this was a long evening. But without being tatty or busy, it was neither dull, in the large sense, the sweet soprano Carmen Iwami was particularly effective.

It is possible, of course, that Miller will run right off the track with his next production, or the one after that. But for now the good doctor is making brilliant sense, both in theory and in practice. In St. Louis, at any rate, the operation on Mozart was a success and the patient lived.

Miller says he is not opposed on principle to stagings that attempt to bring certain older works up to date. He has been working for some time on a "Rigoletto" for the English National Opera that would be set in what he mysteriously refers to as the "Mafia period" in Manhattan. However, he was beaten to the starting post with that idea: a "Rigoletto" set in "New York's gangsterland" was staged in November in Basel.

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INSIGHTS

Mexico's New President Is Sole Certainty In Unknown Political, Economic Future

(The question is not who will win; Miguel de la Madrid Hurtado is sure to be elected president of Mexico on July 4 because the country's political custom dictates that the incumbent's chosen successor is always elected. The question is: What will the new administration mean to Mexico's depressed economy, its Caribbean influence and its relationship with the United States? In an excerpt from *The New York Times Magazine*, *Times* Mexico bureau chief Alan Riding outlines the causes of Mexico's financial woes, traces Mr. de la Madrid's political career and assesses what effect the new president, who has "a less parochial view of the world than his predecessors," will have on his country's foreign and domestic policies.)

By Alan Riding

MEXICO CITY The crowd of miners and peasants waited patiently all afternoon as the desert sun inched across an azure sky and disappeared behind the barren mountains that surround Concepcion del Oro. Then suddenly, through the crowd, bodyguards guided a handsome man with warm eyes and graying temples as people jostled him good-naturedly. Finally reaching the speaker's stand, he looked past chiefs and banners to a horizon of faces straining for a glimpse of the man almost certain to become Mexico's next president.

Then, his deep, amplified voice echoing across the town, Miguel de la Madrid Hurtado spoke, saying that Mexico is still an unequal society, promising to fight for greater social justice and asking the crowd for its vote in the national election being held Sunday, July 4. (There are six other long-shot candidates.)

From the town plaza, Mr. de la Madrid went to yet another meeting in a nearby school, where a panel of local citizens expounded the problems of this and other 400 miles northwest of Mexico City. "We're fed up with engineers and doctors and technicians who offer solutions that we never see," Catarina Lara told him. "We don't want more promises and more studies. We're sure there are resources to rescue us from our poverty." Other complaints and suggestions followed and, for two hours, Mr. de la Madrid took notes but did not speak.

"The country demands change," Mr. de la Madrid has said. "I will obey its mandate." But, in practice, what will this mean?

Urgent Question

The answer is crucial not only to the country's 73 million inhabitants but also to the United States, which, after decades of neglect, now recognizes its southern neighbor's strategic and economic importance, and to the convulsed Caribbean region, where Mexico's influence has increasingly been felt in recent years. And the question has gained particular urgency over the past four months as an oil-priced boom has tumbled Mexico heading into a deep economic crisis that has shaken

domestic confidence in the country's legendary political stability.

Yet, in a political system where each president is enormously powerful while in office but cannot seek re-election, hope is somehow reborn every six years. And as public attention shifts from President José López Portillo, Mr. de la Madrid has begun to project a new and different image across the country: The Institutional Revolutionary Party that has ruled Mexico without interruption since 1929 is once again offering change to the system, paradoxically, can survive unchanged.

Among the half-dozen ministers in the outgoing administration who aspired to the presidency, Mr. de la Madrid was the one most identified with Mr. López Portillo's policies. But such is the power and responsibility of each incumbent that Mr. de la Madrid, even though he held the post of minister of planning and budget, has largely escaped blame for the current economic crisis. His aides insist that he cautioned against some of the policies that led to Mexico's recent economic crunch, but excuses are unnecessary: Mr. de la Madrid will be judged only after he steps out of the shadow of his predecessor and takes office on Dec. 1.

Of provincial middle-class background, Mr. de la Madrid studied law at Mexico's National University, then immediately began a career in government, working for state-run banks. Mr. de la Madrid, who received a master's degree in public administration from Harvard University in 1965, subsequently went to the Finance Ministry, where, in the early 1970s, he served under Mr. López Portillo, who was then serving as minister. He began in the current administration as an obscure undersecretary of finance; only in 1979 did he become Mexico's chief economic planner, assigned to prepare a strategy of administering Mexico's new oil wealth.

Unhappy Politicos

In the process, Mr. de la Madrid became Mr. López Portillo's closest economic adviser. His reputation remained that of a conservative, politically inexperienced technocrat with too many friends in the private sector. When Mr. López Portillo exercised the prerogative of outgoing presidents and chose Mr. de la Madrid as his successor, the old party politicians were decidedly unhappy.

Still only 47 years old, 15 years Mr. López Portillo's junior, Mr. de la Madrid is a member of an entirely new generation of officials who came of age in the 1950s, when the fervor of the Mexican revolution survived only in slogans. Despite his provincial upbringing, Mr. de la Madrid, who will become the first Mexican president to have studied in the United States and to speak fluent English, has a less parochial view of the world than many of his predecessors.

Mr. de la Madrid appears to be disciplined and austere. He has a reputation for scrupulous honesty and, while living comfortably in a colonial-style house in Mexico City's suburb of

Coyoacan, he has never displayed a taste for the trappings of wealth and power so common among Mexican politicians. Some observers recall, though, that President López Portillo also began simply.

Mr. de la Madrid's campaign has been, by his own admission, an educational process. "When people say they have no drinking water, that at times they must share water with animals, when you realize the indices of infant malnutrition and sickness in depressed zones, obviously you have an emotional reaction," he said. Consequently, he has promised a much stronger commitment to social change than many political analysts had anticipated just a few months ago. In the course of his campaign, Mr. de la Madrid has spoken about the many tasks ahead of Mexico, but although he promises greater democracy, a major tax reform and decentralization of power away from Mexico City, he has as yet no specific programs.

Nervous Mood

The mood of Mexico continues to be one of extreme nervousness. "We are passing through an economic crisis," noted Mr. de la Madrid, who has stated that his top priority will be curbing inflation, "but the worst is that it is provoking disheartenment, skepticism or indifference and, at times, indignation and irritation." In reality, he believes this "phenomenon of social pathology" is limited to the urban middle and upper classes.

Oil, Mexico's blessing and its curse, is largely to blame. During the López Portillo administration, proved hydrocarbon reserves rose elevenfold to 72 billion barrels, and daily production tripled to 2.4 million barrels. Yet, to maintain growth in a sellers' market, the state oil monopoly, Petróleos Mexicanos, invested more than it earned. With oil in the ground and beginning to bubble up, though, foreign bankers were happy to make loans to Mexico that, by the late 1970s, had one of the few expanding economies in the world. Gradually, the economy became addicted to oil.

The softening of the world oil market last summer came as a shock. The foundation stone of Mexico's boom had shifted and confidence was shaken. Suddenly, a flight of capital began, stimulated by an overvalued peso. The loss, though, was made up by foreign loans. In 1981 alone, the government's foreign debt increased by \$18 billion to \$32 billion, which, when added to a \$20-billion private foreign debt, placed Mexico alongside Brazil as one of the world's most indebted developing nations. By early February of this year, the hemorrhaging of dollars was out of control and, on Feb. 17, just two weeks after promising to fight for the peso "like a dog," President López Portillo ordered the Bank of Mexico out of the money market, and the currency immediately plummeted.

Yet the nation's current economic turmoil cannot obliterate the achievements of the past five years. Most important is the creation of

some 4 million new jobs, clearly the regime's principal contribution to social justice.

Industrially, the results were more impressive. Oil-refining capacity doubled, petrochemical production tripled, steel output increased by 50 percent, generation of electricity by 70 percent and production of fertilizer by 90 percent. And, even if Mexico now takes one step back, its economic infrastructure has been greatly strengthened for any future steps forward.

Malnutrition Increases

Growth, though, has not meant improved living standards for most Mexicans. For the mass of unskilled workers and peasants—that 45 percent of the labor force described as "underemployed"—inflation has eroded real wages, and most consider themselves worse off than five years ago. Indeed, malnutrition has increased in rural areas. Although the López Portillo administration created an ambitious program to guarantee drinking water, basic foods and health care for the country's poorest, social conditions in much of Mexico remain inadequate.

Mexico, though, apparently hypnotized by its domestic troubles, has gained a world stature that the incoming government is unlikely to surrender. With oil, Mexico gained clout. In 1980, it took a seat on the United Nations Security Council for the first time since 1946 and became identified with the struggle for world economic reform that led to the North-South summit meeting at which Mr. López Portillo was host in October in Cancun. After a difficult adjustment period during the Carter administration, marked by frequent bitter clashes, President Reagan has begun to treat Mexico with the attention and respect that it had long sought from Washington.

Nowhere, however, was Mexico's new influence more felt than in its Central American backyard. Two months before the July 1979 Somoza revolution, it broke relations with the Somoza dynasty; then, almost protectively, it lavished the new Sandinista regime with economic aid and political support. Arguing that revolution was also inevitable in El Salvador, it gave succor to that country's guerrilla-led opposition. And, insisting that leftist movements should be co-opted by the West rather than surrendered to the Soviet bloc, Mr. López Portillo established a close relationship with the Cuban leader, Fidel Castro. In February, the Mexican president even offered to act as a "communicator" between the Reagan administration and Cuba, Nicaragua and the Salvadoran left.

New Challenges

Even with the shine off its oil boom, Mexico's economic weight cannot be ignored. It is now the third-largest U.S. trading partner, with \$35 billion a year in exports and imports; it has the world's fourth-largest oil production and fifth-largest hydrocarbon reserves; it ranks 13th among the West's industrial powers—and it owes \$72 billion abroad. Further, in the



Miguel de la Madrid Hurtado

Caribbean Basin, it has become an important aid donor, providing cheap oil, through a joint Mexican-Venezuelan plan, to the region's hard-pressed economies.

Mr. de la Madrid is expected to continue Mexico's traditional policies, but he will face new challenges, some uncomfortably close to home. In an apparent reference to U.S. policy in Central America, though, he noted recently: "We are strongly opposed to any military intervention or use of force to resolve political problems." And he added: "Our destiny as a sovereign and independent nation is linked indissolubly to what happens in this region."

Mexico's relations with the United States are both complex and institutionalized. Numerous bilateral issues—fishing rights, trade and illegal Mexican aliens—await solution, while Central America remains a permanent point of contention. But the close friendship between President Reagan and Mr. López Portillo, evidenced by four separate meetings last year, has enabled them to "agree to disagree"

on these problems without poisoning their relationship.

The real importance of the change of Mexican administrations to Washington, though, will not be in foreign policy. Nor is the fundamental U.S. security interest to be measured by its access to its neighbor's huge oil resources. Rather, sharing a 2,000-mile border, Washington's single overriding priority must be to bolster Mexico's domestic stability.

And now, more than ever, in areas of credit, trade and migration, Mexico is vulnerable to moves by the United States that could delay its economic recovery and bring unwelcome political repercussions. Mr. Reagan showed understanding by purchasing Mexican oil for the U.S. strategic reserve after Mexican oil exports fell sharply last year. And, following his election, Mr. de la Madrid will almost certainly visit Washington in search of similar understanding. A helping hand to the incoming Mexican administration would, therefore, be an act of self-interest by the United States as well as a guarantee of future good relations.

Wave of Applicants for Political Asylum Flooding U.S. Immigration Bureaucracy

By Caryle Murphy

WASHINGTON Thirty-six Nicaraguan women and children walked across the Mexican border into Texas without benefit of visas nine days recently. Instead of hiding from U.S. immigration officials, they headed straight for the U.S. Border Patrol office in McAllen, turned themselves in and asked for political asylum.

Just two weeks earlier two Polish stowaways had emerged from crates on the docks of Baltimore. Hailed before immigration authorities, they filed for political asylum.

Almost daily, Salvadorans living illegally in the United States appear at deportation hearings; increasingly, they ask for asylum. And 2,000 Haitians now being detained say they intend to do the same when their hearings are held.

Asylum Requests Up

More people are requesting political asylum than at any other time in U.S. history. A record number of applications—more than 105,000—is now on file with the U.S. Immigration and Naturalization Service. Until just two years ago, when Congress significantly broadened the eligibility requirements, the average number of requests was around 2,500, according to an Immigration Service spokesman.

Numbers are not the only change. Once primarily a passport to the United States for the disaffected elite of Communist countries, political asylum, which enables a foreigner persecuted in his homeland to circumvent U.S. immigration laws and remain here indefinitely, is now being requested by citizens from all walks of life and a wide range of countries.

The flood of requests has added a new element to the already controversial debate over the nation's immigration policy. Some federal officials charge that many requests are being filed solely with the motive of gaining time for illegal immigrants who would ordinarily be deported.

"Political asylum is being used as a ploy to obtain additional time to remain in the U.S.," said Kellogg Whitlock, the Immigration Service's district director for Washington, D.C., and Virginia. "Even if these claims are very weak, they have to be given consideration. And while the case is being assessed, they [the individuals requesting asylum] are given time in the U.S."

The bureaucratic machinery dealing with asylum applications has "completely broken down" because of the increased workload, says one Justice Department official, causing long delays in getting responses to applications.

Asylum Process Scrutinized

It also has brought closer scrutiny of the asylum process by civil rights, minority and congressional groups, some of which charge that an objective review of asylum petitions and the human rights of an individual sometimes are overridden by the dictates of foreign policy.

Specifically, critics mention a "pattern of denials of asylum" for Haitians and Salvadorans because the U.S. government supports both those governments.

"It's embarrassing [for the United States] to call people from 'friendly governments' refugees," said Steven Horbelt, a local legislative aide.

Mr. Horbelt also charges a racial motive for a long delay in adjudicating Ethiopian asylum petitions, some of which have been pending since 1977.

Still other critics question why members of the Soviet elite receive asylum although they could not really be said to be persecuted at home. "A Soviet ballerina is not granted asylum because of political persecution, but to embarrass the Soviet Union," said Robert Kennes, an immigration lawyer.

More than half the 105,000 requests for asylum on file are from Cubans who came in the sudden flood from the island in 1980. Iranians are next with 14,778 applications, followed by 10,938 Nicaraguans, 10,287 Salvadorans, 5,646 Haitians, 3,843 Poles, 1,457 Ethiopians, 1,114 Afghans, 751 Chinese from Hong Kong and Taiwan, 745 Lebanese and 673 Iraqis.

9 Haitians Win Asylum

According to the statistics, few Salvadoran or Haitian petitions for asylum have been successful. From July, 1980, through last March, only nine Haitians were granted asylum, although more than 5,000 Haitian applications were on file during that period. And between October, 1980, and March of this year, only 26 Salvadorans were given asylum.

Ethiopians have experienced long delays in having their petitions reviewed, but in 1980 and 1981 they ranked third, and in 1982 they were fourth among nationalities receiving approvals for asylum.

Other nationalities whose applications were approved in large numbers in the last 2 1/2 years include Iranians, Afghans, Nicaraguans and Poles.

Melvin Levitsky, the State Department official who oversees applications for asylum, denies allegations of political or racial bias. Ethiopian claims were not reviewed, he says, because under a special exemption Ethiopians were allowed to stay for several years after the Marxist revolution in their home country.

Mr. Levitsky, senior assistant deputy secretary of state for human rights, said most Haitians have been coming to the United States because their own country was poor, and that although El Salvador has a "general climate of violence," that is grounds for granting asylum.

"The individual still has to prove he specifically would be persecuted; that's what we look at," he said. "Asylum is not designed for those fleeing civil or guerrilla war or because it's a poor country.... Random violence, as unfortunate as this may be, is not a condition on which asylum is granted.... Asylum is not a substitute for an immigration program."

As for the claims involving U.S. citizens, Mr. Levitsky says: "We give asylum based on the knowledge of what happens to people when they go back, and we know that a Soviet who wanted to defect and went back would be persecuted."

Immigration Policy Revised

Population increases, lack of economic opportunities in poor countries, revolutions, invasions and wars have all contributed to the surge in applications for asylum. But the main reason is a change in immigration law enacted by Congress two years ago.

Under the old law, asylum covered only persons fleeing from the Communist bloc or the Palestinian-Israeli conflict in the Middle East. For anyone in these categories, asylum was virtually automatic; for anyone else, it was next to impossible.

In 1980, Congress redressed this bias as part of a comprehensive overhaul of refugee legislation. Political asylum was opened to all nationalities by incorporating into U.S. law the United Nations definition of a refugee, or

someone seeking asylum. Under that definition, anyone who can show a "well-founded fear of persecution on account of race, religion, nationality, or membership in a particular social group or political opinion," is eligible for asylum or refugee status in the United States.

"For the first time in our history, the U.S. has become a country of first asylum on a mass scale," said Dale Schwartz, national secretary of the American Immigration Lawyers' Association. "We used to be a place where, except for the isolated instances of a Soviet ballet dancer or a seaman jumping ship, refugees applied somewhere outside the U.S. and came here in an orderly fashion.... But we never anticipated that nearby nations like Cuba, Haiti, would become unfriendly or that hundreds of thousands of people would flee or want to come to the U.S."

In theory, someone seeking political asylum differs from a person seeking refugee status only because he or she is already in U.S. territory. But in practice, this gives asylum-seekers a distinct advantage. A person asking for refugee status overseas has a one-shot chance: an interview with an Immigration Service official, whose decision cannot be appealed. Moreover, there are yearly refugee quotas set by Congress.

State Department Advisory

A person seeking asylum, however, makes his request to a local Immigration Service district director who asks the State Department's Bureau for Human Rights and Humanitarian Affairs for an "advisory opinion." Although called advisory, the State Department's reply is invariably followed by the Immigration Service officials.

"If the request for asylum is turned down, the applicant can appeal it through several layers of the Immigration Service bureaucracy and eventually challenge it in the federal courts. If he has the money and time to do so. And there is no limit on the number of persons who can be granted asylum in one year."

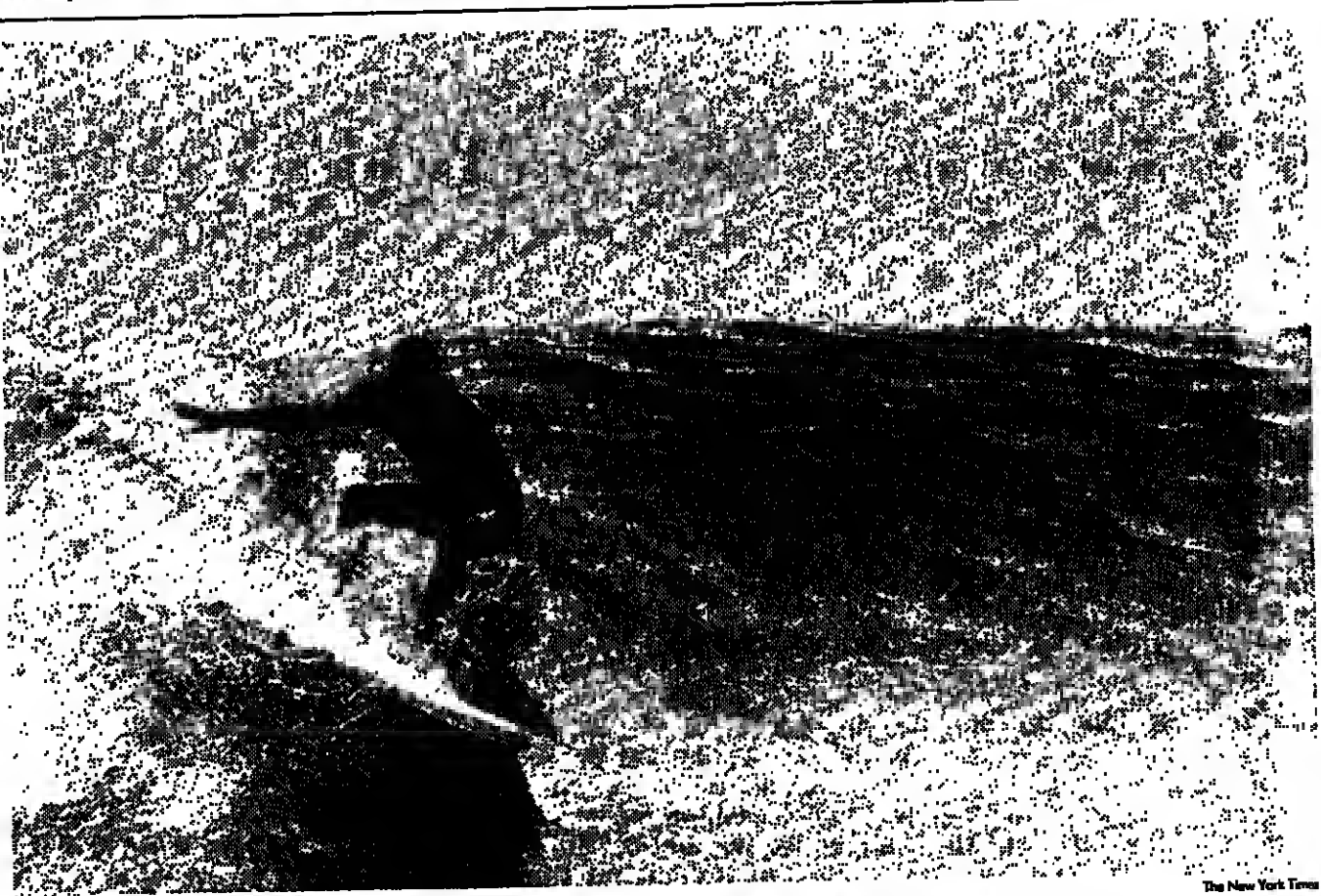
More important, an applicant cannot be deported while his petition is being considered. "You just don't move a person with an asylum application pending," said one Immigration Service deportation officer. This is becoming more widely known among those seeking to enter the United States.

For U.S. chief patrol agent Larry Richardson in McAllen, the idea that the Nicaraguans' actions might become a trend is a "terrifying thought. What it amounts to is that anyone can come across the border and automatically stay as long as he wants to fight you on removal. It's frustrating to our efforts to prevent illegal immigration."

Congress presently is considering proposals to streamline the asylum procedure and meet criticisms about foreign policy interference. Applications for asylum would be considered by 70 independent "immigration judges," attached to the Justice Department and versed in immigration law and international relations.

Court review of denials of asylum would be sharply curbed and an alien would have only 14 days to file for asylum after notification to depart from the United States.

"These changes will give the system a chance to work, and will be doing good for those people who have genuine claims," said David Fuller, a senior Justice Department official. "It will separate them from those who are essentially gate-crashers and who are using asylum as a pretext to stay in the U.S."



One surf enthusiast found his big wave near Los Angeles.

California Surf's Up, So Are Tempers

By Judith Cummings

MALIBU, Calif. The waves are not the only things that clash on California's beaches. So, sometimes, do the surfers.

A version of the Western range war has sprung up on Southern California's prime beaches, a sort of surfers' turf dispute whose antagonists are mainly locals, who live near the beaches, and inlanders, who do not. In Malibu, "inlanders" translates into "the valleys," a term for young suburbanites from the San Fernando Valley.

"There's too many people on the waves," said Dave Radford of Malibu, who struck a powerful figure emerging from the surf the other day tottering a board decorated with the word "aggression."

"If they don't live around here, they shouldn't surf around here," he said. "People pay high rent to live here and surfing is the reason for it."

The source of the friction is that surfing popularity has grown to the point that demand for good waves exceeds the Pacific Ocean's supply.

"Valleys Go Home," warns beach graffiti. Radin stations play "My Wave," a tongue-in-cheek look at localism by a group called the Surf Punks.

Good Surf or Bad

A spokesman for the lifeguards division of the Los Angeles County Department of Beaches, where most surfing is practiced, put the number of surfers at 100,000. However, more than number and territory are involved in the conflict—there are also matters of style, dedication, dues-paying and age.

Locals contend that they pursue the sport day after day, in good surf or bad, patiently waiting for the right wave. The valleys, they

complain, drive out to the beach only on good days and then hog the best waves.

The valleys, in turn, tend to dismiss the beach residents as spoiled rich kids who would not recognize a "360" from an "off the lip." These are two of the fancier maneuvers, one calling for circling down and up again on the face of a breaking wave, the other for skittering the board to the lip of a wave and diving, still on the board, precipitously down the dropoff.

Back in the good old days, the 1960s, the very image of a California surfer was of a lone rider mastering a plunging breaker, at one with sea and sky. Now a new breed has hit the waves, aggressive, competitive and equipped with 5½-foot boards that are to the old nine-footers what Porsches are to Cadillacs.

Third Point at Malibu, a quirky spot of sand that helps the waves break just right, is one of the hottest spots on the Southern California coast. Dave Radford works nights as a computer operator and his roommate, Larry Sterns, works weekends, just so they can have their days free to surf the Point. They share an apartment on the Pacific Coast Highway.

Rou Goad and Brian Courtney, from Sherman Oaks and Tarzana, view "surfing the Point" from a valley perspective.

"The valleys are the better surfers," Mr. Courtney said. "The guys that live here are little rich kids. They just stand on a wave. We do turns and maneuvers. Takes good skill. If an old guy on a long board comes up to Third Point, we get ticked off."

Sometimes the dispute takes on a nasty edge, usually at the isolated spots favored by the elite. Surfers tell of incidents at Malibu, for example, and at Palos Verdes and Oxnard. Fights have been known to break out,

tires have been slashed and sometimes a surfing rider will cut loose his board like a seagull missile, deliberately endangering a rival for a wave.

"There are occasional fights in the ocean over somebody taking somebody's wave," said Sgt. Gilbert Gwaltney of the Malibu station of the Los Angeles County Sheriff's Department. "But this isn't normally a real serious problem."

"They call some of the locals 'surf Nazis,'" said Dave Story, a lifeguard at Manhattan Beach. "It's just a term, but it's the kind of militant attitude they exhibit."

Many inlanders say they do not take turf consciousness seriously. "You've got your basic surf rat down here, the blond-haired, bleached-out, radicalized dude," said Paul Conn of inland Pasadena after surfing at Zuma Beach. "They're just geared toward drugs and surfing and girls and not going to school."

"A surfer," he added, "doesn't have much purpose in life—not the hard-core ones."

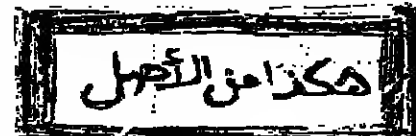
No Responsibilities

Mark Forsite, with his friends Gary Kraus and Bill Perry, would probably not quarrel very much with that description. They boasted that they came to surf every day from their homes in Malibu Canyon.

"I do not even have one responsibility," Mr. Perry said, "and I don't want one." Mr. Forsite added, "I'm 19 and I've never had a job." He repeated it later, for emphasis. "My parents give me everything: A surfboard, a car—that's everything you need."

Although they consider themselves locals, their philosophy was live and let live. Mr. Forsite smiled and added: "As long as they don't snipe us on a wave."

"And bring nice chicks," one of his friends said.



THURSDAY, JULY 1, 1982

BUSINESS BRIEFS

Mannesmann Sees Improved Results

DUESSELDORF — Mannesmann said Wednesday that it expects its 1982 results to exceed those of 1981, when the company had group profit of 272 million Deutsche marks (\$110 million) on external sales of 15.4 billion DM.

The steel, pipe and machinery maker's managing board chairman, Egon Overbeck, said at the annual meeting that Mannesmann considers it possible to pay a dividend on its 1982 results at least matching the 6 Deutsche marks it paid on its 1981 results.

Mr. Overbeck also said West Germany's current export boom is due to the weakness of the mark. Since 1975, he said, the mark has depreciated about 5 percent in real terms against the currencies of West Germany's 23 main trading partners. He asserted that the country is no longer as attractive as it was for foreign investors because West German productivity has not kept up with that in certain other countries, including Japan and France.

Continental Gummi Reports Profit

HANOVER, West Germany — Continental Gummi-Werke had a profit in 1982's first half, and earnings and sales in all divisions rose from year-earlier levels, the company's executive chairman, Helmut Werner, said at the annual meeting Wednesday. He gave no figures.

Mr. Werner also declined to forecast results, saying any projections would be hedged with considerable uncertainties. In 1981, the tire maker had parent company profit of 600,000 Deutsche marks (\$244 million), down from 13.5 million DM in 1980, and omitted its dividend.

BMW Expects Satisfactory '82 Profit

MUNICH — Bayerische Motoren Werke expects satisfactory earnings for 1982, the automaker's executive chairman, Eberhard von Kuenheim, said at the annual meeting Wednesday.

He said that group sales in the first half rose 30 percent from a year earlier to around 6 billion Deutsche marks (\$2.42 billion) in the first half and that turnover for the full year is expected to exceed 10 billion DM, up from 9.5 billion DM in 1981. First half production and sales rose 11 percent to about 200,000 cars, and exports rose by more than a quarter, he added.

For 1981, BMW reported group profit of 144.4 million DM and parent company net profit of 145 million DM in 1981.

Boustead to Acquire Unit of Getz

SINGAPORE — Malaysia-based Boustead Holdings said Wednesday that it has agreed to acquire 70 percent of Getz Corp. (Malaysia), a subsidiary of Getz Corp. of the United States. The price, to be based on the audited asset value of Getz Malaysia as of June 30, is not expected to exceed 2 million Malaysian ringgit (\$845,000), Boustead said.

Compiled From Agency Dispatches

Costa Rica Battles To Avoid Collapse

By Alan Riding

New York Times Service

SAN JOSE, Costa Rica — Less than two months after inheriting a virtually bankrupt economy, Costa Rica's new government has begun introducing a series of belt-tightening measures, including across-the-board price increases, in an attempt to lift the country out of its worst economic crisis in 30 years.

The measures, which will bring increased unemployment and a sharp contraction in the economy, have been demanded by the International Monetary Fund in exchange for a \$100-million standby credit. Foreign banks, in turn, are awaiting the IMF agreement before they begin to renegotiate their own huge debt with Costa Rica.

"This country is going to become very sad and gray," said Carlos Manuel Castillo, president of Costa Rica's central bank, referring to the impact of the austerity program. "People still have no idea how difficult things are going to be."

But President Luis Alberto Monge, who visited Washington last week in search of increased economic support from the United States, appears to have resigned himself to presiding over the erosion of the country's comfortable living standard.

While the previous administration of Rodrigo Carazo Odio is blamed here for both causing the crisis and for failing to deal with it, officials are bracing for increased labor unrest and political discontent. "We still haven't found a way of distributing the burden of the recession equitably," Mr. Castillo conceded.

The roots of the crisis lie in the country's past practice of consuming more than it produced, importing more than it exported — and borrowing abroad to make up the difference.

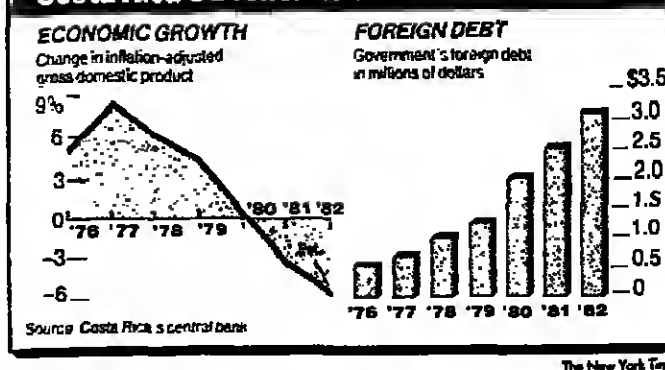
When increased world oil prices were followed by high interest rates and the slump in the market price of coffee, which is Costa Rica's main export, the government suddenly was unable to keep up payments on its foreign debt, which now stands at \$3.2 billion.

Since July, the government has paid neither interest nor principal to its private foreign creditors, who are owed about \$1.4 billion, although some multinational agencies, such as the World Bank, have received interest payments. Further, with no reserves available to support the local currency, the colone, the street value of the dollar has rocketed from 8.60 colones to 62 colones in just 20 months.

The Carazo administration, however, repeatedly refused to take the measures recommended by the IMF to stabilize the economy. And, over the past six months, as the crisis worsened by the day, both the fund and foreign banks suspended relations with President Carazo and awaited Mr. Monge's inauguration Aug. 8.

Since then, talks have resumed. At a June 7 meeting in New York with a 10-member steering committee representing some 150 private banks, Costa Rica offered to make symbolic interest payments to demonstrate the determination to meet its obligations. On July 15, the first \$6 million

Costa Rica's Economic Woes



worth of interest is scheduled to be paid.

Last month, a technical mission from the IMF visited Costa Rica. Government sources in San Jose hope that a letter of intent can be signed with the IMF by the end of July and that formal agreement on the standby credit will be concluded by late September.

Anticipating the IMF's demands, the Monge administration has already moved to reduce the public sector deficit by sharply increasing the price of public utilities — gasoline by 80 percent, electricity by 71 percent and water by 90 percent — and cutting spending by 10 percent. New taxes are also planned.

But there also are areas of potential disagreement. The IMF, for example, wants the government to raise domestic interest rates to levels closer to the inflation rate, which last year was 65 percent and this year is expected to be 90 percent. But, Mr. Castillo insists, "We think it's madness to chase inflation with interest rates."

The fund also wants a strict wage policy, although real wages have already fallen by 33 percent over the past two years.

At the same time, officials recognize that the agreement with the IMF is indispensable and they are looking for ways to cushion the social impact of the austerity program.

With unemployment and underemployment now standing at 20 percent of the work force, an emergency plan to hand out food to the jobless will begin Aug. 1. A reduction in the size of the bureaucracy has also been postponed until 1983, while the state-run banking system has been

(Continued on Page 9, Col. 2)



Rodrigo Carazo Odio

— Takes the blame

Key U.S. Indicator Of Economy Is Up For Third Month

Compiled by Our Staff From Dispatches

NEW YORK — The government reported Wednesday that its index of leading economic indicators had risen for the third month in a row, and Wall Street and Washington reacted with cautious optimism.

The May increase — 0.3 percent — followed revised increases in the index of 1.3 percent for April and 0.2 percent for March. The department, which regularly reviews and revises the index for previous months, had originally reported an increase of 0.8 percent for April and a drop of 0.5 percent for March.

The indicators had been falling since April, 1981.

The increase and its modest size elicited well-hedged positive responses on financial markets and in Washington, though for different reasons.

White House deputy press secretary Larry Speakes said: "It shows what appears to be the beginning of a slow recovery. The economy is somewhat flat, but there are signs of a recovery."

It was precisely this flatness that stirred hope on bond markets.

Traders said that a slow recovery would mean fewer businesses seeking new credit and thus would mean less upward pressure on interest rates.

This, combined with reaction to Monday's unexpectedly favorable response at the Treasury auction of four-year notes, sent bond prices

soaring. Stock prices followed suit.

The leading indicators are designed to forecast future trends in the economy.

Government officials have been predicting the economy will pull out of the recession and gather strength in the July-September quarter, helped in large measure by the July 1 tax cut and Social Security cost-of-living increases — a total of \$40 billion in stimulus.

Murray L. Weidenbaum, chairman of the president's Council of Economic Advisers, said Wednesday, "The economy, I sense, is beginning to turn up."

He said that the durability and length of any recovery will depend on whether business investment increases and whether interest rates decline.

Others Hope

The leading indicators report from the Commerce Department offered some hope on the investment side of the equation. The biggest contributors to the May gain were new orders for consumer goods and materials, building permits and prices for sensitive raw materials.

The average work week for production workers increased and the number of initial claims for unemployment declined. Also declining were contracts and orders for new plant and equipment.

The Commerce Department also reported Wednesday that factory orders had risen 1.5 percent in May after a 2.3 percent decline in April.

There remained, however, conflicting signals about interest rates. The May report showed a declining money supply and a decline in total liquid assets held by U.S. businesses.

But on Tuesday, the Treasury sold \$4 billion of four-year notes at a price that produced the highest interest cost in more than three months. The average rate at the auction was 14.96 percent, the highest since the 14.05 percent at the auction of March 24.

The record average rate on such notes was 15.91 percent, set on Sept. 23, 1981.

Dealers had expected a rate near (Continued on Page 9, Col. 4)

EEC, Bowing to the U.S., Agrees To Raise Rates on Export Loans

By Philip Stephens

Reuters

LUXEMBOURG — European Economic Community governments agreed Wednesday to a new set of export credit rules, pushing up interest rates on government-backed loans to Western nations give to poorer countries.

The 10 EEC states also bowed to U.S. pressure for additional increases in the charges on trade credits financing exports to the Soviet Union, East Germany and Czechoslovakia.

End of Dispute Seen

Belgium's finance minister, Willy de Clercq, who led a meeting of EEC finance ministers in Luxembourg, said they had accepted with minor modifications a plan offered by the Paris-based Organization for Economic Cooperation and Development.

Diplomats said the decision should end months of wrangling among the 23 rich nations in the OECD. That dispute had threatened to start a credit war.

The decision also should ease trade tensions between Europe and the United States.

Washington has long insisted that interest rates on export credits — government-subsidized loans used to promote overseas sales — should be brought more into line with commercial realities. But France and Greece had up to now blocked EEC acceptance of the higher rates sought by Washington.

A proviso sought by the EEC was that Greece and Ireland should be exempted from the increased charges for one year.

The finance ministers also said the United States, exempt at present from some OECD rules governing the duration of credits, should fall into line with the other nations by Oct. 15. These conditions would be the subject of talks in coming days, but Mr. de Clercq said he was confident they would not prevent a new accord.

The previous agreement regulating export credit terms expired last Friday.

Many nations have voiced fears that a breakdown of talks would trigger a credit war among rich nations, each trying to boost its exports by offering better loan terms.

Minimum interest rates offered to "relatively rich" countries would rise 1.15 percentage point to between 12.15 and 12.4 percent.

Nations classified by the OECD as intermediate would pay an extra 0.35 point, bringing the new charges to between 10.85 and 11.35 percent.

Sparing the Poorest

Only the very poorest countries would escape the increases; rates for them would stay at 10 percent.

The Soviet Union is among several countries facing a two-fold increase. The OECD nations have agreed to reclassify these countries as relatively rich from their present intermediate status — implying higher charges even before the new rates are applied.

Several developing states, including Brazil, South Korea and Taiwan, would face the same problem through their reclassification as intermediate rather than poor nations.

Japan, whose domestic interest rates are below the levels set out in the OECD rules, would be exempt from charging the new rates. Instead, it has agreed to give loans at a minimum rate of 0.5 point over its long-term market levels.

For poor countries, the credit plan means higher costs for many purchases from the West.



Willy de Clercq

Belgrade Seeks \$300 Million In Short-Term Bank Credits

Reuters

BELGRADE — Yugoslavia is negotiating a short-term credit of about \$300 million to help bridge the gap before summer tourism starts bringing in hard cash, a government minister said Wednesday.

Zvonko Draganc, a deputy prime minister in charge of the economy, said in an interview that he expected U.S. banks to grant the credit early this month.

He said Yugoslavia was asking for the credit to mature in 18 months, matching the end of the International Monetary Fund credit in Special Drawing Rights equivalent to \$2 billion. The credit runs from 1981 to 1983.

Yugoslavia is facing serious economic problems including high inflation, foreign debts of \$19.3 billion and heavy consumer demand.

Mr. Draganc said the \$300 million would help Yugoslavia meet its credit obligations without any greater disturbances to imports and industry, as well as bridge the gap before summer tourism starts bringing in hard cash.

He admitted that Yugoslavia had been hard pressed to repay about \$1.6 billion in debts to foreign creditors this and next month. But he said June debts of \$983 million were largely met, as would be those for July.

Wall Street Prices Finish Mixed

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed mixed Wednesday in very heavy trading as interest rate worries overshadowed early enthusiasm over the increase in May leading economic indicators.

The Dow Jones industrial average rose almost six points in morning trading, was up about 5 1/2 late in the afternoon, but turned lower in the last half hour to finish down 0.28 at 811.93. Advances continued to lead declines by around 800 to 600.

Volume soared to 65.3 million shares from the 46.9 million traded Tuesday. Wednesday's was the largest turnover since May 7 when it reached 67.1 million shares.

Analysts also attributed the market's early strength to a strong bond market and the results so far of this week's Treasury auction, which is going better than expected.

But trading slowed and prices slumped in the afternoon after two major banks raised their broker loan rates, which analysts said reminded investors that interest rates will probably remain high for the near term.

Monie Gordon of Dreyfus Corp. said the market still faces some very negative underlying factors that will probably prevent any meaningful rally.

Some of the negatives he mentioned were an expected large increase in the money supply during July, the probability of very poor second quarter corporate earnings, the large fiscal 1983 federal budget deficit and the slow pace of the economic recovery.

"About the best you can expect from the market at this point is that it is trying to build a base at its present level," Mr. Gordon said.

On the NYSE floor, the demise of rumors that Royal Dutch/Shell wanted to increase its stake in Shell Oil sent the price of Shell stock plummeting.

In London earlier in the week, traders had said that the British-Dutch group wanted to buy the 31

percent of Shell that it does not own.

Shell Oil said it knew of no reason for the unusual variations in the price and volume of its stock.

Shell closed at 38 1/4 last Thursday but has been trading higher and higher, reaching as high as 43 Tuesday before closing at 41. Wednesday the stock was delayed in opening on an order influx and was indicated at 36 to 39. Shell was the worst performer on the NYSE Wednesday, closing off 6 1/2 at 35 1/2.

Blue chip issues were among the most active stocks, signaling heavy institutional buying. Sears Roebuck was up 1/4 to 19 1/2. U.S. Steel was up unchanged at 18 1/2, and Exxon was off 1/4 to 27 1/2.

Gulf United climbed 2 1/2 to 22 1/2 after a delayed opening. The company is considering the sale of its life insurance group.

Cities Service was active, up 1 to 55 1/2. Gulf Oil has commenced a \$63-a-share takeover bid for Cities Service, which had been the object of an offer from Mesa Petroleum.

restructuring measures if the state of Saarland does the same.

The decision on additional aid to the steel industry is conditional on EEC Commission approval, the statement said.

The cabinet statement appealed to West German steel producers to take immediate steps to cut production capacity in line with falling world demand and use every opportunity for further cutbacks within the industry.

Last week, the EEC Commission announced that steelmakers in the community will be forced to cut output by 35 to 47 percent on most products in the third quarter. The cuts reflect the weakness of demand for steel at a time when the United States is threatening to curb steel imports from Europe.

Mr. Lambsdorff also told the cabinet that there have been about 20 applications from the steel industry for payments of the government's 10-percent bonus for companies whose 1982 investments exceed the average of the previous three years. The government would be required to pay 14 million to 15 million DM if all applications were met, he was quoted as saying. This aid too would have to be reported to the EEC Commission.

The cabinet said a condition for aiding the Krupp-Hoesch plan to merge their steel operations was that the two companies reach binding agreements on a joint concept. It gave no figure for aid to the Krupp-Hoesch plan but said it will make another 130 million Deutsche marks (\$53 million) in conditionally repayable loans available to Röchling-Burbach for

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restructuring measures if the state of Saarland does the same.

Oil Analysts Expect Stable Prices Will Persist

OPEC's Claim That It Has Turned the Market Around Is Challenged

By Douglas Martin

New York Times Service

NEW YORK — Oil prices have been consistently soft over the past month, despite Israel's invasion of Lebanon, Iraq's advances in its war against Iran and the death of King Khalid of Saudi Arabia — all factors that might have sent prices soaring a few years ago when oil was perceived as much less plentiful.

"There is a lot of new confidence among buyers that oil is available whenever it's needed," said John H. Lichtblau, executive director of the Petroleum Industry Research Foundation.

Indeed, declarations by OPEC that it has turned the oil market in its favor by putting limits on production are beginning to sound hollow, industry officials and independent analysts say. They note violations of the new quota system by OPEC's members and substantial new supplies from non-OPEC producers.

Despite minor price increases imposed recently by Iran and some U.S. producers — about \$1 per 42-gallon barrel — the analysts say they believe the oil market is mixed at its current level and will be for some time. They attribute the stagnation to plentiful supplies, business decisions to draw down inventories and a drop in the use of petroleum products.

"It's a thin market, a pretty dead market," said Marshall Thomas, markets editor of Petroleum Intelligence Weekly, a trade publication.

Since the OPEC meeting in Quito, Ecuador, in mid-May, the spot price of a barrel of the light crude used as a benchmark by OPEC

members has dropped to about \$32, reflecting confidence that supplies will remain sufficient.

Analysts note that supplies are ample and prices stable despite oil countries facing a two-fold increase, which in the second quarter were drawn down at an estimated rate of nearly 1.5 million barrels a day. Normally there is a buildup of 2 million barrels a day during that period.

OPEC experts had predicted that an inventory reduction of this magnitude would push spot prices upward by the third quarter, but analysts now suggest that such a price turnaround will not occur until the fourth quarter at the earliest.

Consumers are not benefiting directly, largely because of a tightening in the market about a month ago that allowed oil companies to raise the price of gasoline in an attempt to recover long-depressed margins on their refining and retail operations.

Price Swings Unlikely

According to Mr. Lichtblau of the Petroleum Industry Research Foundation, however, the price climb is unlikely to continue, mainly because refineries are operating at about 70 percent of capacity, up from 62 percent in May, and gasoline stocks are being built up after being drained to relatively low levels.

The Energy Department estimates that stocks as of June 18 totaled 214 million barrels, up 4.6 million barrels since the end of May but still far below the high of 284.9 million barrels reached in March, 1981.

Analysts believe major price changes are unlikely. "Things are quite stable, despite some downward drift in spot prices," said Stephen Boyack, director of economic studies at Standard Oil of Indiana. He predicted that OPEC's official price of \$34 probably will hold "well into next year."

The principal reason for the price stability is relatively high oil output. Analysts estimate the current flow of OPEC oil at between 18 million and 18.5 million barrels a day, significantly above the group's official ceiling of 17.5 million.

In addition, Nigerian and Iranian oil is flooding markets after a long period of low output in those countries, and Libya is said to be selling ever greater amounts of oil

to Europe through barter and processing deals.

Iraq's Failure to Deliver

TOKYO (Reuters) — Iraq has asked Japanese oil importers to subsidize Saudi Arabian crude for supplies Iraq is unable to deliver for the April-June quarter, oil industry sources said Wednesday.

They said Iraq is unable to deliver the oil because of the closure since mid-April of the oil pipeline across Syria to the Lebanese port of Tripoli. Iraq agreed to supply Japan in the quarter with 40,000 barrels a day to a government-to-government transaction and a further 105,000 barrel a day in direct sales to Mitsubishi Oil and Idemitsu Kosan, the sources said.

CURRENCY RATES

Interbank exchange rates for June 30, excluding bank service charges.

	\$	£	DM
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NYSE Index

Industrials	72.41	71.58
Transp.	52.94	53.62
Utilities	32.11	27.04
Finance	63.26	63.09

NYSE Most Active	
	Sales
Exxon	1,037,500
Citibank	928,000
Sealed Air	897,200
Kmart	822,000
US Steel	776,400

Dynalene	676,000
Holburn	580,000
Hospital Co	575,800
NLT Corp	567,800
Shell Oil	544,800
Burroughs	542,000
Abbott Labs	541,100
Gen Motors	515,600
Super Oil	508,600

Tables include the nationwide prices up to the closing on Wall Street.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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June 29

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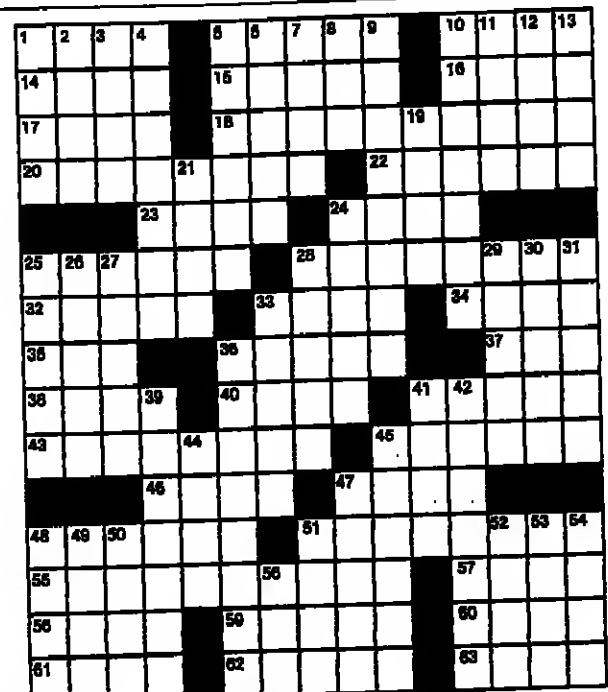
**Now in
New York
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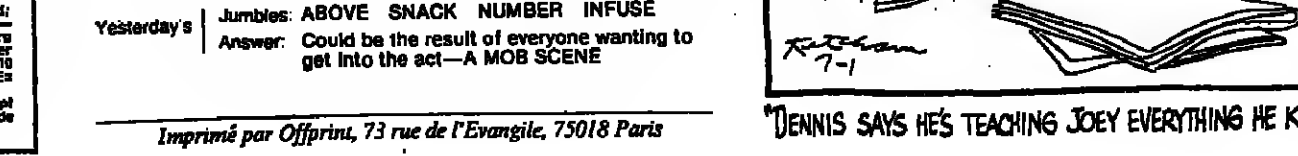
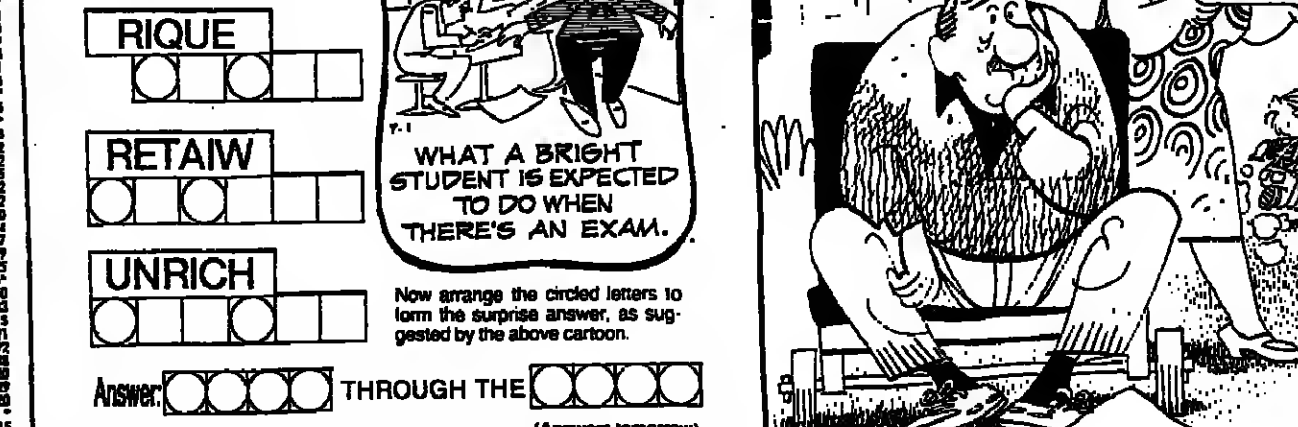
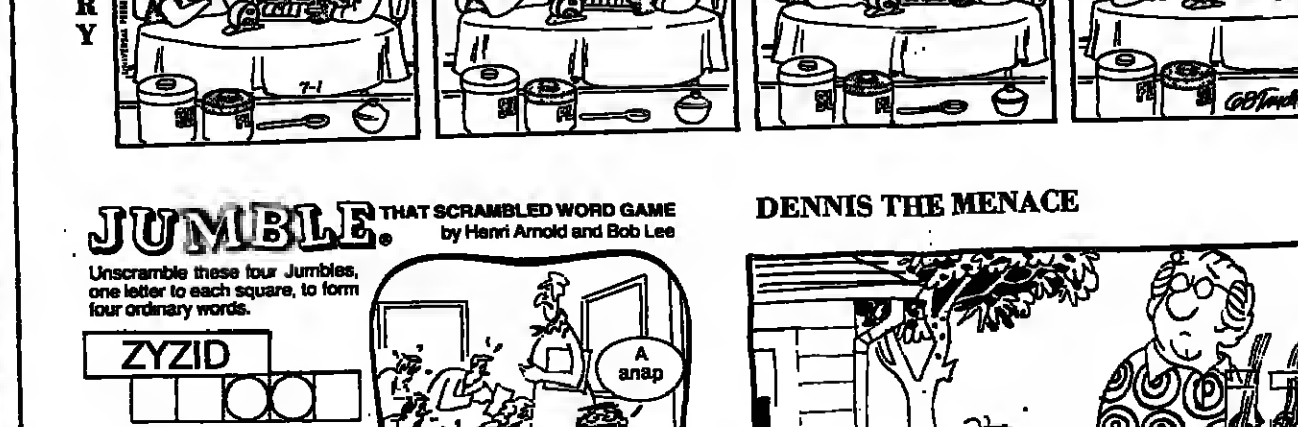
- ACROSS**
- 1 Kind of shirt
5 Speaks imperfectly
10 Item accompanying a ltr.
14 Tip or top
15 Constellation or hunter
16 Suburb of Napoli
17 Shoe
18 Duke's boot
20 Fresh
22 Seek food
23 "— of Washington Square"
24 Hairdo
25 Camille Javal
28 He keeps a liner on line
32 Love-in— (passion-flower)
33 Lake or pool
34 Javanese carriage
35 Devotee
36 "Godunov," opera by Mussorgsky
37 Spill
38 Vigoda role
40 Rounded projection
41 Thank-you ma'am
43 Gym apparel
- DOWN**
- 45 Rococo
46 Land or strip follower
47 Junior's gaze, as through a haze
51 Relative of a pac
53 Make poor
57 Ghillie or seque
58 Nonprofessional
59 Forearm bones
60 Tom of the P.G.A.
61 Migration
62 Rods used by campers
63 Lustrous mineral
1 Equal: Comb. form
2 Not secretive
3 F.F.V. group
4 Low, laced footwear
5 At the nadir
6 "Good Night" girl
7 Sediment
8 Country bordering the U.S.S.R.
9 Head cold
10 Absorb wholly
11 — bene
- 12 Kind of dance**
13 Abbe or Lois
19 Christie book
21 Acquisition of two newly hitched
24 Last row in the balcony?
25 Golf strokes
26 With force
27 Wash lightly
28 Natural food additive
29 "— mia!"
30 Conform
31 Subjects of Olav V
33 Dudley of films
36 Kitchen aids
38 Swinger between trees
41 Jug for Jeanne
42 Capital of the Ukraine
45 Type of showy flower
47 Set firmly
48 Gay tune
49 Jerusalem's Mosque of—
50 Painter called "The Cornish Wonder"
51 The South of France
52 Send
53 Small amount
54 — do-well
56 Knock

WEATHER

	HIGH	LOW		HIGH	LOW
ALABAMA	82	72	LOS ANGELES	74	64
ALASKA	78	68	MADRID	74	64
ARIZONA	82	72	MANILA	74	64
ARKANSAS	82	72	MEXICO CITY	74	64
CALIFORNIA	82	72	MIAMI	74	64
CANADA	82	72	MILAN	74	64
COLORADO	82	72	MONTREAL	74	64
CONNECTICUT	82	72	MOSCOW	74	64
DELAWARE	82	72	MURMANSK	74	64
FLORIDA	82	72	NAGASAKI	74	64
GEORGIA	82	72	NEW DELHI	74	64
IDAHO	82	72	NEW YORK	74	64
ILLINOIS	82	72	OSLO	74	64
INDIANA	82	72	PARIS	74	64
IOWA	82	72	PEKING	74	64
KANSAS	82	72	PRAGUE	74	64
KENTUCKY	82	72	REYKJAVIK	74	64
LACHAPPE	82	72	RIO DE JANEIRO	74	64
LAKES	82	72	ROME	74	64
LAKE SUPERIOR	82	72	SAO PAULO	74	64
LAKE MICHIGAN	82	72	SEOUL	74	64
LAKE ERIE	82	72	SHANGHAI	74	64
LAKE HURON	82	72	SINGAPORE	74	64
LAKE SUPERIOR	82	72	STOCKHOLM	74	64
LAKE MICHIGAN	82	72	TAIPEI	74	64
LAKE ERIE	82	72	TOKYO	74	64
LAKE HURON	82	72	VIENNA	74	64
LAKE SUPERIOR	82	72	WASHINGTON	74	64
LAKE MICHIGAN	82	72	ZURICH	74	64

ADVERTISEMENT INTERNATIONAL FUNDS

June 30, 1982	
The net asset value (NAV) of each fund is shown below. The NAV is calculated by dividing the total assets of the fund by the number of shares outstanding. The NAV is expressed in U.S. dollars.	
BANK OF AMERICA FUNDS	UNITED STATES FUNDS
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THE SECRET HISTORY OF THE LORD OF MUSASHI and ARROWROOT

By Junichiro Tanizaki. 199 pp. \$12.95
Knopf, 201 East 52nd St., New York, N.Y. 10022

Reviewed by Ivan Gold

IN 1964, a year before his death at the age of 79, Junichiro Tanizaki was elected to honorary membership in the American Academy of Letters, the first Japanese to be so honored. Yet a mere 10 years earlier Tanizaki's work had been virtually unknown in the English-speaking world. It was in 1955 that Knopf brought out Edward G. Seidensticker's translation of "Some Prefer Nettles" (originally published in 1929), a novel exploring the pernicious effects on Japan of imported cultural values, and the work of the man whom Donald Keene has called Japan's "finest modern novelist" began to become available.

The mid-'50s marked a time of creative ferment in the introduction to the West of contemporary Japanese literature, with men like Keene, Seidensticker, the late Ivan Morris, Howard Hibbett, John Nathan, and other linguists and scholars (whose study of Japanese had frequently begun in military language schools) turning their talents, postwar, to the formidable literary task. The rest of that decade brought us "Snow Country" and "Thousand Cranes," novels by Yasunari Kawabata, who would be the 1968 Nobel laureate for literature; it marked the beginning of the flow of work into English by Yukio Mishima (still probably better known for his politically-motivated ritual suicide in 1970 than for his splendid fictions like "The Temple of the Golden Pavilions"); those years introduced us also to the work of numerous writers of somewhat lesser rank.

Tanizaki's own dense postwar opus, "The Makioka Sisters," appeared in translation in 1957, and was followed by "The Key" in 1960 and "The Diary of a Mad Old Man" in 1965. But he was a man of letters of enormous energy and productivity, translating the 11th-century classic "The Tale of Genji" into modern Japanese, all the while continuing his own prodigious output of stories, essays and novels. An edition of his "Collected Works" was issued while he was still in his 40s, but he continued writing for the next 35 years. So it is fortunate that a new crop of Oriental scholars and translators (many of them students of the '50s pioneers) has now come along to continue the labor of love.

These two novellas were written in the early 1930s, and are said to have been among Tanizaki's own favorite works. "The Secret History of the Lord of Musashi" the author invents two "historical" documents which purport to gloss the more conventional and uplifting accounts of the life and times of a 16th-century warlord named Terukatsu (the lord of Musashi). As a lad of 12, Terukatsu witnesses the ceremony of "dressing heads," a barbaric business of making presentable the heads of the enemy taken on the battlefield. This is woman's work, and in a dark, eerie scene, "the air smelling of incense and blood," he is vanquished by the smile on the face of a comely young girl as she goes about her work.

Terukatsu is neither the first nor the last Japanese hero to find a stirring equivalence between sex and mutilation, but in his case the kinkiness goes somewhat further: on his third visit to the grisly salon, he sees the same young woman dressing the head of a samurai without a nose. (Warriors of the thick of things did not always have the leisure to decapitate a fallen enemy: sometimes they would slice off a nose to permit identification at a later time.) Terukatsu feels a strong kinship. "He envied the head for having the girl dress its hair." Becoming a severed head was a necessary condition.

Not long after, Terukatsu himself slays and denoses a feckless enemy daimyo, and at age 15 becomes involved with the beautiful Lady Kikyo, daughter of the man he killed. Kikyo is unaware that Terukatsu is the culprit and tends to blame her husband, and she vengefully pursues Terukatsu (life) is her instrument, and eventually they are married, and Terukatsu is the mumble mumble of his wife's bedchamber on the way to the ultimate humiliation.

"Arrowroot," the second story, is as different from this intricate, bloody spoof as may be imagined. A writer in quest of material for an historical novel journeys, in 1912, into the mountainous country of Yoshino, southeast of Kyoto. He is accompanied by a friend from college days who is seeking to find out more about his dead mother — she had been born in this area, but had been "sold as a child" into one of the Osaka pleasure districts, and then been adopted by a respectable family before her marriage. Here the author's historical material, the re-creation of ancient legends, and his accurate eye for detail, are as accurate as he can make them, yet he is at pains to distinguish the unnamed narrator from himself. Tanizaki had a certain impatience with the narrowly autobiographical approach embraced by many of his contemporaries. The tone of "Arrowroot" is elegiac, lyrical. The Yoshino River's "rippled surface was like crepe in the path of the wind." Tanizaki cannot resist inventing a document or two, however: the college friend, Tsunamura, finds a letter written by his grandmother to his mother, which contains "a lengthy admonition not to waste paper." This paper was made by your mama and Oshichi. Our hands are chapped and cracked and the tips of our fingers are torn." Tsunamura eventually marries his first cousin once removed, but the narrator never wrote the historical novel I had planned: there was a bit more material than I could handle.

Tanizaki, certainly, wasted no paper. For anyone unfamiliar with his work, these elegant, subtle translations by Anthony H. Chambers, professor of Asian languages at Wesleyan, would make, I think, a splendid place to begin. Certainly the novellas are a valuable addition to the corpus of this 20th-century literary giant, which for us is still emerging.

Ivan Gold is a novelist with a special interest in Japanese literature. He wrote this review for The Washington Post.

20th Jefferson Volume Expected Out This Year

New York Times Service
NEW YORK — Late this summer or early in the fall, the 20th volume of the Thomas Jefferson papers will be published by Princeton University Press, continuing a project that began during the Jefferson bicentennial of 1943.

The latest book in the 65-volume project will bring Jefferson's correspondence up to August, 1791. Volume 21, an index to date, is scheduled for publication before the end of this year. Jefferson kept a record of each of the 65,000 letters he wrote and, received from 1765 to 1826, the year he died.

BRIDGE

FEW bridge books have offered deals of high quality in an imaginative and original setting. One that did was "Right Through the Pack," a classic by Robert Darrow and Norman de Vere Hart, published in 1947. Another is "The Bridge Adventures of Androcles MacThick," published by the author, Dr. Ernst Theimer of Rumson, N.J. "MacThick" has 247 pages, is pleasantly illustrated, and is obtainable from Bridge World, 39 West 94th Street, New York, N.Y. 10025.

The hero is Androcles MacThick, an Australian expert who has wandered in so many unlikely domains that he has virtually lost his down-under habits of speech. During 35 extraordinary adventures he meets, among others, Macbeth's witches and a clergyman who never has any clubs. In the looking glass he encounters the Red King and the Red Queen. He meets a flying saucer, descends into Hell and rises to Heaven.

The diagramed deal may not seem easy to the reader, but it is easier than most of the others. Play can be tested in four spades by covering the East-West hands. East has opened one no-trump, showing 12 to 14 high-card points, and clubs are led and continued.

MacThick's nephew, Archie, was faced by this problem trying his luck with a bridge machine in a murky amusement arcade. He ruffed the third club high and tried finessing the spade eight. If this had succeeded, he would have had an extra entry to the dummy to finesse in diamonds and make use of the ace.

But as MacThick pointed out later, this play had nothing to gain. If West held the nine, the machine would have played it, blocking the extra entry. The right play after ruffing the third club high was to draw trumps ending in dummy. East needed a red queen to justify his opening, and it would be right to assume the diamond queen: If East held the heart queen and West the diamond queen, there was no chance.

After cashing the club winners, a winning finesse of the diamond jack then leaves this position:

NORTH
♥K7
♦A6

WEST
♥Q10
♦108

EAST
♥A8
♦Q9

SOUTH
♥10
♦J5
♦K

On the lead of the last trump, West can not throw a heart; for South will establish his jack. West throws a diamond and dummy throws a heart. If East throws a diamond, South can overtake his own king and then score the six. So East throws a heart, and South cashes the diamond king, leads a heart and scores the diamond ace at the finish to make his contract.

Neither side was vulnerable. The bidding:
East South West North
INT. 2♣ Pass Pass 4♣
Pass Pass Pass Pass
West led the club three.

JUMBLE. THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ZYID
RIQUE
RETAW
UNRICH

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: THROUGH THE

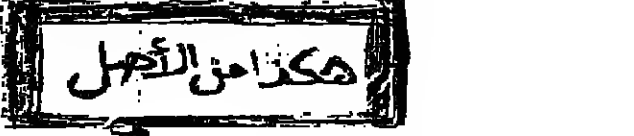
Yesterday's Jumbles: ABOVE SNACK NUMBER INFUSE
Answer: Could be the result of everyone wanting to get into the act — A MOB SCENE

Imprimé par Offprints, 73 rue de l'Évangile, 75018 Paris

DENNIS THE MENACE



DENNIS SAYS HE'S TEACHING JOEY EVERYTHING HE KNOWS.



SPORTS

Hendrick, Cardinals Bury Phillies, 15-3

Compiled by Our Staff From Dispatches
PHILADELPHIA — The St. Louis Cardinals and George Hendrick broke out of their offensive slumps Tuesday night by crushing Philadelphia, 15-3, breaking the Phillies' eight-game winning streak and nudging them out of first place in the National League's Eastern Division.

BASEBALL ROUNDUP

Hendrick drove in seven runs in the first and second innings, a double, a sacrifice fly and a home run. Keith Hernandez also had a home run.

Twins 12, White Sox 5

In Minneapolis, Ron Washington went 4-for-5 and drove in three runs and Gary Ward batted in four more to spark Minnesota to its 12-5 runaway over Chicago.

Brewers 11, Yankees 4

In New York, Cecil Cooper hit two homers and had three RBIs and Don Money batted in three more to pace Milwaukee's 11-4 drubbing of the Yankees. Mike Caldwell (5-7) went seven innings for the Brewers, who have won 11 of their last 13 games.

Pirates 3, Cubs 1

In Chicago, Dave Parker broke out of his slump with a home run and a double, and pinch runner Lee Lacy drilled a two-run homer in the same inning to lift the Pirates to a 3-1 victory over the Cubs. Rick Rhoden (5-6) pitched the best game of his career, striking out seven batters in 6 1/2 innings.

Mets 5, Expos 4

In Montreal, rookie Ron Garmon hit his first major-league home run, good for two runs in the seventh inning, to help New York break a five-game losing streak by defeating the Expos, 5-4. Terry Lott pitched the final four innings, allowing three hits in no runs.

Braves 6, Astros 5

In Atlanta, Glenn Hubbard's 10th-inning single drove in two runs to give the Braves a 6-5 decision over Houston. Hubbard's single was the only hit for the Braves in the bottom of the 10th.

Giants 3, Reds 0

In San Francisco, Andre Hammacher pitched a four-hitter for his first major-league shutout and contributed an RBI single in leading the Giants past Cincinnati, 3-0. All four hits of Hammacher were singles as he raised his record to 5-4.

Padres 7, Dodgers 5

In Los Angeles, Alan Wiggins singled home two runs in the 10th to cap San Diego's 7-5 comeback, the 20th straight victory over the Dodgers. Wiggins' single was the only hit for the Padres in the bottom of the 10th.

Angels 2, Rangers 1

In the American League in Arlington, Texas, solid pitching by Jeff Zang and Doug Corbett carried California to a 2-1 victory over Texas. Zang (9-3) worked 6 1/2 innings and combined with Corbett on a seven-hitter to help the Angels to their 13th triumph in their last 17 games.

Indians 9, Orioles 2

In Baltimore, Andre Thornton hit his 19th home run of the year and triggered a four-run sixth-inning rally to lead Cleveland to a 9-2 romp over the Orioles. Thornton's home run was the only hit for the Orioles in the bottom of the sixth.

Mariners 4, Blue Jays 1

In Toronto, Gary Gray's two-run double in the fourth inning helped Seattle to a 4-1 victory over the Blue Jays. Gray's double was the only hit for the Jays in the bottom of the fourth.

Yanks: From Tradition to Travesty

By Dave Anderson
New York Times Service

NEW YORK — In his baseball column, George Steinbrenner invariably mentions "Yankee tradition," presumably referring to the glory that was Babe Ruth and Lou Gehrig, the grandeur that was Joe DiMaggio and Mickey Vernon, and the grit that was Reggie Jackson and Thurman Munson on the last Yankee team to win the World Series way back there in 1978 and 1979.

Yankee tradition has a nice ring to it — a World Series ring — except that most of the current Yankees can't identify with it. To most of the members of this season's team, the only Yankee tradition is that sooner or later Steinbrenner will address them as he did Friday night in the Yankee Stadium clubhouse. Perhaps that's the reason the Yankees are still struggling on a treadmill below .500.

Steinbrenner has turned Yankee tradition into a travesty. Tradition is maintained by continuity and stability, not by turmoil and threats of beheadings. Most of the players on the 1982 team haven't been Yankees long enough to feel like Yankees, to feel part of the tradition that Steinbrenner has destroyed.

In the turnover of talent from last year's team that was good enough to hold a 2-0 lead in the World Series, most of the current Yankees are merely strangers in pinstripes, transients until further notice. Each has to be wondering when Steinbrenner will glare down at him from the royal box and turn him down.

In the turnover, 12 current Yankees, virtually half the roster, have been acquired since the principal owner chewed out his team during last year's American League championship series. "I think it was good," Dave Winfield said with a smile after the principal owner's clubhouse appearance Friday night, "for everyone to meet the man they've heard so much about."

Even Jackson

Winfield, of course, met the man less than two years ago himself, but he's almost a Yankee old-timer now. Of the hitters, only Graig Nettles, Lou Piniella, Willie Randolph, Bobby Murcer, Rick Cerone (when his thumb heals), the often-estranged Oscar Gamble and the benched Bucky Dent can be considered Yankees of any duration; of the pitchers, only Ron Guidry, Rich Gossage, Tommy John and Rudy May.

In other areas, the Yankees indeed were a team of tradition. Every so often a rookie was inserted quietly into the lineup and granted the time to grip that torch of tradition. Even as an instant celebrity in 1977, Reggie Jackson needed time to earn his pinstripes.

Jackson eventually emerged as the pillar of the clubhouse after Munson's death and Catfish Hunter's retirement. But without Jackson this year, the clubhouse has no pillar for the other players to lean on.

So the Yankees struggle. The quick explanation is that "we're not hitting." Why aren't they? "With the influx of so many new people, we haven't been able to assume the standard of excellence that the Yankees were famous for," Winfield says. "Before, the Yankees planned on winning; but this team hasn't done enough winning to be able to plan on it. We haven't learned to win together."

According to Randolph, some new Yankees haven't learned to adjust to the principal owner. "We've got a lot of new players now who came from clubs where they never got that feedback, where they may have never seen the owner," the second baseman says.

The Yankees' home run leader is Winfield with nine, a decent total for a right-handed hitter in Yankee Stadium, with its left-center-field prairie, but hardly in keeping with Yankee tradition. For decades the Yankee trademark was the home run. But this season Steinbrenner ordered speed instead of strength. This season's trademark has been all those swift base-runners who don't score enough runs.

In a park originally designed for Babe Ruth, the Yankees don't have a left-handed slugger who appears capable of hitting even 20 home runs this season. "Left-handed power is important here," Winfield says. "But they've got a right-handed batter a lot of other teams would use if he was their player."

He was talking about Steve Balboni, the huge 25-year-old first baseman who was returned to Columbus of the International League, where he has hit 12 homers and driven in 38 runs in only 33 games this season. In his brief visit with the Yankees, he hit one homer in 10 games while batting .214.

A Condonism? Not long ago, Rick Lefford of the Oakland A's described pitching to the 6-foot-3-inch, 25-pound Balboni as "pitching to a Condonism." And without Jackson, the Yankees don't have a slugger who frightens opposing pitchers.

Bring back Balboni and platoon him with John Mayberry at first base," Gossage suggests. "The way we're struggling, he's not going to kill us with his strikeouts, and he puts a little fright into the other pitcher. It's a matter of letting him establish himself so people don't care if he strikes out. You need patience with him."

But just as there's no Yankee tradition in the Steinbrenner regime, there's no patience either. The American crews, which flock here each year, have maintained their loyalty, however, and could improve on their last year's total of three cup victories. Holy Spirit High School of Absecon, N.J., is favored to defend its Princess Elizabeth Challenge Cup title, as is the Charles River Rowing Association in the Thames Challenge Cup.

Yale, Cal-Berkeley

Yale University, winner of the inaugural Cincinnati Regatta, which determined the fastest U.S. collegiate crew, is entered in The Grand Challenge Cup, along with the University of California at Berkeley.

Both the American crews, despite the snatching of five of The Grand's nine initial entries, have their work cut out for them against the two remaining entries, both British, in Henley's premier event.

Racing will begin Thursday morning. There will be three days of straight knockout eliminations before Sunday's finals.



Billie Jean King
Of the upcoming semifinal match with Evert: 'I'm going to go for it.'

King Defeats Austin, Gains Semifinals

Compiled by Our Staff From Dispatches
WIMBLEDON, England — Billie Jean King, the self-proclaimed old lady of her sport, upset third-seeded Tracy Austin Wednesday to move into the women's semifinals of the Wimbledon tennis championships.

King, who has won a record 20 Wimbledon titles, used her serve-and-volley tactics and experience to outlast Austin, 3-6, 6-4, 6-2. The 38-year-old American, who first played this grass-courts championship 21 years ago, will face defending champion Chris Evert Lloyd in the semifinals.

Evert, seeded second, advanced by stopping 10th-seeded Barbara Potter, 6-2, 6-1. Also moving into the semis was top-seeded Martina Navratilova, who eliminated unseeded JoAnne Russell, 6-3, 6-4. Betina Bunge, No. 11, registered a 6-2, 6-3 victory over Candy Reynolds and will play Anne Smith in the other quarterfinal match.

Top Seeds Advance

On the men's side, the top three seeds — defending champion John McEnroe, Jimmy Connors and Vitas Gerulaitis — all moved into the quarterfinals.

But fourth-seeded Sandy Mayer was upset by fellow American Tim Mayotte, 3-6, 6-7, 6-4, 6-2, 6-4 in a third-round match. Mayotte, who became a full-time pro only last year, said he had never come from two sets down to win a professional match before.

In another third-round, 11th-seeded Brian Teacher of the United States defeated Stefan Simonsson of Sweden, 7-6, 4-6, 6-3, 6-3. McEnroe topped fellow American Hank Pfister, 6-4, 6-4, 6-4. Connors ousted Australian Paul McNamee, 6-2, 6-3, 6-1, while Gerulaitis eliminated American compatriot Roscoe Tanner, 6-3, 6-4, 6-3.

Despite the straight-set victory, McEnroe said he hadn't been concentrating. "Two years ago, I was much more intense," he said. "Now I go off into space at times and lose concentration. But I'm hitting the ball harder than I was, and I'm trying to get my old attacking attitude."

Also advancing into the men's quarters were No. 5 Johan Kriek of South Africa, who beat Nick Savonare, 6-4, 6-3, 6-3.

Transactions

MINNESOTA — Optioned Al Williams, pitcher, to Toledo of the International League and called up Jeff Little, pitcher, from Toledo.

ATLANTA — Traded pitcher Larry McWilliams to Pittsburgh for pitcher Patrice Parris, who will join Richmond of the International League; called up pitcher Carlos Diaz from Richmond.

CHICAGO — Re-called Ken Kruvic, pitcher, from Iowa of the American Association.

CHICAGO — Traded their 1982 second-round draft pick, Steve Soto, to the Boston Red Sox for a future second-round draft pick.

MILWAUKEE — Traded Phil Corns, forward, to Dallas for a 1982 second-round draft pick.

NEW JERSEY — Acquired guard Phil Ford from Kansas City for guard Ray Williams and cash.

SAN DIEGO — Traded Joe Bryant, forward, and their second-round draft pick to Houston for a 1982 second-round draft pick.

BUFFALO — Re-called pitcher Jimmie Connerback from return, to a series of one-year contracts.

COLLEGE — Maryland — Signed basketball coach Larry Drew to a multi-year contract.

TEXAS — Signed coach Gary Smith, acting director of men's intercollegiate athletics.

viano of the United States, 6-2, 6-3, 7-5; sixth-seeded Gene Mayer, who tripped U.S. compatriot Steve Denton, 6-3, 6-4, 6-4, and 12th-seeded Mark Edmondson of Australia, who overpowered New Zealand's Russell Simpson, 6-4, 7-6, 7-6.

In the quarterfinals, McEnroe will face Kriek. Connors will play Gene Mayer and Gerulaitis will take on Edmondson.

The fourth quarterfinal pairing is not yet set.

19 for 19

For King, who had reached the quarterfinals here for the 19th time in 19 years, it was her first victory in six lifetime encounters with the 19-year-old Austin.

Seeded No. 12 this year, the winner volleyed crisply and covered the court tenaciously. She changed tactics continuously in an attempt to prevent Austin from finding the rhythm essential to her baseline game.

King lost her opening service, but immediately broke back. The two then exchanged service to 3-3, when Austin cashed in two double-faults for a break and a 4-3 advantage. Austin broke again in the ninth game to win the opening set.

But King, playing in the 103rd singles match of her distinguished career at the All-England Club, shook off the years by storming to a quick 5-2 lead in the second set with breaks in the first and seventh games.

Austin resisted by breaking back in the eighth game and holding serve to close to within 4-5, but King served out the set at love, finishing it with a sharply angled drop shot — a weapon that stood her well throughout the steady two-hour match.

In the third set, King glanced at the scoreboard and saw that the score was 2-0 in her favor. "That two kept getting bigger and bigger and bigger," she said. "And I suddenly thought, 'If I win this game it will be 3-0.'"

With her 3-0 edge, she also knew that the hard work of breaking Austin's service was over; all she had to do to reach the semis was to play steady tennis. So with lob and drops breaking the machine-like Austin, King went on to rack up her 90th singles victory at Wimbledon.

King became the oldest woman semifinalist here for 62 years. In 1920, Dorothea Lambert Chambers, one of the famous oldtimers of tennis, reached the final at age of 41 and lost to Suzanne Lenglen.

"A Smart Lady"

Asked how it felt to beat a player who wasn't born when she herself was already the talk of the tournament, King said: "To be fair, Tracy's not at her best. She's had a lot of injuries this year. I don't think she's as match-fit as she could be."

Austin said she had had a fever Tuesday and "sweated through three sweatsuits last night."

But during the 1 hour 57 min-

utes they were on court it didn't show in her relentless baseline game and devastating cross-court placements.

Of King, Austin said: "She's really a smart lady — she thinks about tennis 23 hours a day."

King, who has won six singles and 10 doubles titles here, said Wednesday's victory was "very gratifying — anything at this stage is a bonus."

King was asked to comment on her impending semifinal match against defending champion Evert. Said King, quickly: "I'm going to go for it."

When she started her comeback this year, King said some victories would be minor miracles and some would be major.

Winning a seventh Wimbledon singles title?

"Major."

MEN'S SINGLES
Fourth Round
Brian Teacher, U.S., def. Stefan Simonsson, Sweden, 7-6, 4-6, 6-3, 6-3; Tim Mayotte, U.S., def. Sandy Mayer, U.S., 6-4, 6-3, 6-4, 6-2, 6-4.

Seventh Round
Gene Mayer, U.S., def. Steve Denton, U.S., 6-3, 6-4, 6-4; Mark Edmondson, Australia, def. Russell Simpson, New Zealand, 6-4, 7-6, 7-6; Johan Kriek, South Africa, def. Nick Savonare, U.S., 6-2, 6-3, 7-6; Vitas Gerulaitis, U.S., def. Roscoe Tanner, U.S., 6-3, 6-4, 6-3; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4; Jimmy Gerulaitis, U.S., def. Paul McNamee, Australia, 6-3, 6-4, 6-1.

WOMEN'S SINGLES
Fourth Round
Betina Bunge, U.S., def. Candy Reynolds, U.S., 6-3, 6-1.

Seventh Round
Billie Jean King, U.S., def. Tracy Austin, U.S., 6-4, 6-2, 6-2; Chris Evert Lloyd, U.S., def. Barbara Potter, U.S., 6-2, 6-1; Martina Navratilova, U.S., def. JoAnne Russell, U.S., 6-3, 6-4, 6-4.

SEMI-FINALS
Billie Jean King, U.S., def. Tracy Austin, U.S., 6-4, 6-2, 6-2; Chris Evert Lloyd, U.S., def. Barbara Potter, U.S., 6-2, 6-1; Martina Navratilova, U.S., def. JoAnne Russell, U.S., 6-3, 6-4, 6-4.

FINAL
Billie Jean King, U.S., def. Chris Evert Lloyd, U.S., 6-4, 6-2, 6-2.

DOUBLE
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

TRIPLE
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

FOURFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

FIFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

SIXFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

SEVENFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

EIGHTFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

NINEFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

TENFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

ELEVENFOLD
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Twelfold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Thirtefold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Fourtefold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Fiftefold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Sixtefold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Seventefold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Eightfold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Ninefold
Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

Tenfold
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Elevenfold
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Twelfold
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Billie Jean King, U.S., def. Martina Navratilova, U.S., 6-3, 6-4, 6-4; Jimmy Connors, U.S., def. Hank Pfister, U.S., 6-4, 6-4, 6-4.

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